

# Modern Business Correspondence AND Precis-Writing

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## PREFACE

The present book has been written mainly to cater to the needs of the students, offering Commerce as their main subject in Intermediate classes, and partly covers the syllabus laid down for English Third paper of I. Com examination of the Board. It has specially been prepared to meet the demand of the criteria of the U. P. Board of High School and Intermediate Education and deals with Business Correspondence and Precis-Writing. The whole work has been carefully planned and divided into two sections to enable the students to grasp the subject conveniently.

The *First Section* deals with '*Business Correspondence*', which not only calls for a good knowledge of English language but also intimacy with the working of business houses. Here an effort has been made to familiarize the students with all these things. The section opens with a few pages dealing with the utility, important features and forms of a business letter and then the examples follow. Different types of letters have been grouped separately and an attempt has been made to deal with each type under a separate chapter. Requirements and provisions of various types of business letters have been well illustrated by suitable examples. In order to help the students to recapitulate what they have learnt, summary and a set of test questions on the pattern of Board Examination papers have been given at the end of each chapter.

The *Second Section* contains '*Precis-Writing*'. Within a limited space, here an effort has been made to define and explain the precis, the art of brevity, the method of preparation of notes and draft, arrangement of ideas and the way to find out the suitable heading. All these provisions have been amply illustrated by *ten model exercises*, followed by a few more passages with their precis. Then there are 35 well graded exercises for practice. These passages have either been selected

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**SECTION I**  
**BUSINESS CORRESPONDENCE**

ted out of various examination papers set for the students of Intermediate standard or drawn out of literature dealing with economic and commercial problems that may be of interest as well as use to the students of Commerce of this standard. Here again at the end of every chapter, dealing with theory, a summary has been appended

Psychological background of the students and simplicity and lucidity of language have been the guiding factors throughout the preparation of the work.

—AUTHORS

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**SECTION I**  
**BUSINESS CORRESPONDENCE**

## CHAPTER I

### COMMERCIAL CORRESPONDENCE AND ITS IMPORTANCE

Let us now understand well enough, why and how commercial correspondence is so very important to us all in these modern days. In the distant past commerce did not play in our lives such an important part as it does these days. Bear in mind that in the absence of a true commercial life, business cannot be transacted so well as to make our lives cheerful and happy—hence the importance of commerce and its correspondence all round in all phases of the modern life.

Through excellent correspondence we certainly establish close relations in matters commercial and also in many other respects between any two nations living quite apart and at distant places from each other. Were it not for this correspondence, we would have to resort to several other methods likely to cost us a good deal of time and energy. To find a way out of all this difficulty a well organised correspondence system has come into being in these modern days to our great credit. We all see every day that life is not so very simple in character as it had certainly been in the dim past.

With the advent of modern facilities, such as the postal and the telegraphic systems, and the railway

system to the accompaniment of so many other things, too numerous to tell in a few words, life has become a complicated affair these days. Side by side with all this commerce has also assumed an importance of its own, as justifying a more systematized methods of correspondence than it would have been otherwise, if life were a mere dull subject-matter to us each.

Certainly there are a good many methods of settling affairs with other people, but correspondence as such is one amongst so many other methods. Though it would be very easy to enter into agreements with other people, but that in all such cases we can give finishing touches to our all such agreements by correspondence methods alone. In a court of law no matter can be treated as having been finally settled between any two persons, unless all such agreements have been confirmed between them each by means of letters that have passed hands between the parties concerned in respect of all such matters. In that case alone the court concerned accepts a person's claim or rejects it.

All such letters go by the name of what we call 'letters of confirmation'. As a matter of fact, in the interest of putting in good evidence against the opposite party, we have to maintain a regular and clear record of all such correspondences, so that reliance may be placed upon all such documents

without their being rebutted by the other side. In the absence of a clear and reliable record, as maintained by any disputing party, the court concerned would not run the risk of enforcing a claim against any person or persons. As such in the name of a good commercial life it is certainly of great importance to preserve all such records regularly and with the utmost care at our disposal.

**A short cut to a final settlement of affairs in a  
commercial sense**

You would ask me, if correspondence were the only method by which to settle all such affairs? Would it not be possible and practical to settle matters by resorting to interviews even? When two persons meet together and exchange thoughts with each other, in that case also we get a fine opportunity to know each other's mind through reference to a particular matter. But there would be certainly a good many people in our society who would like to settle matters more by correspondence methods than a word of mouth uttered face to face with the other side.

There are people who can write better than speak and thus alone can create a better impression of themselves than by all other methods. On the other hand there are many who can speak better than write. All this is certainly a matter of personal choice and taste. In the face of the existing laws and in the interests of running commercial

matters on a sound scale, it would be better to settle matters more through correspondence methods than by verbal talks. Honestly speaking, one may settle a matter verbally with any party, but that the other side, in its own interests, may back out of it to your great disadvantages. Commerce, therefore, lays down, as a rule, that it is always safer to settle matters in writings alone.

### **The Important Features of a good Business Letter**

1. *Clearness*—The first thing to be aimed at is clearness. By a clear letter is meant a lucid expression of your own thoughts. It should be stated in such a manner as will convey to the reader exactly what the writer wants to say. Ambiguous sentences should be avoided. A pedantic style is to be strictly avoided. Words and phrases of everyday use only should be used so far as possible.

2. *Conciseness*—The next thing that one should bear in mind is conciseness. It requires that you should make your letters as short as possible. Nevertheless, all that you want to express should be brought out and put up very impressively in the subject-matter of the letter. Let it be very short; but it should never leave out all that is essential and legal. In any case brevity should not be at the cost of clearness. A concise letter reads sweet and sounds well enough in an all round sense and as such is free from all grammatical mistakes and all that is out of the way.

3. *Accuracy of facts*—Accuracy in all your versions should be kept in mind. While writing a commercial letter, never write any letter in a careless fashion. Form a correct mental picture of all your thoughts before representing all such thoughts in writing. An incorrect statement of facts, as regards prices etc., certainly means a loss to you in all business transactions.

4. *Completeness*—This means that a letter should have everything connected with the matter under reference. This will help understanding and save further correspondence which in other words means further delay and inconvenience both to the writer as well as addressee. A complete letter also saves extra-expenditure. For example, if you have to place an order for certain books, you should give the name of the book, its author, its publisher, number of copies of each required, mode of packing, delivery and method of payment. This will leave no room for further enquiry and save botheration as well as expenditure. In the same manner, if you have to reply to a letter of your customer, you should cover all the points raised by him in a proper manner.

Completeness requires a clear picture of what is to be written. Ideas should be properly and systematically arranged before reducing them to writing. It shall be helpful if only one point is dealt with at one time.

5. *Courtesy*—At schools all that you learn is the formation of good tastes and habits. Courtesy is born of all such good habits. A courteous writing always tells and produces a very good impression upon the reader. A letter, when expressed in very courteous terms, is sure to expedite delivery of all your dues to you at a very early date. As such courtesy means a gentle and polite method of putting your thoughts before one, to whom you may address your letter

6. *A forceful expression of your thoughts*—A thought, if expressed at all in a poor language, loses all its strength and does not attract the attention of the reader so well as a nicely written letter invariably does. It creates a good many customers in your favour and carries weight and importance in course of all business transactions.

7. *Neatness and a proper display*—It plays a very important part in all commercial correspondence. Neatness means invariably a good profit and a successful business. Neatness avoids bad impressions. The letter should either be typed or written in good handwriting. The letter should be properly displayed i.e., the date, number and all other details of the letter must be given. Enclosures, if any, should also be mentioned in the letter. At the end, close all your letters with a due regard to the position of the addressee concerned.

#### **Types of Letters.**

Roughly we classify letters into following four types :—

(a) *Private Letters*—They include letters to friends, relatives, acquaintances etc.

(b) *Social Letters*—The type includes invitations, congratulatory letters and letters written in acknowledgment of such letters.

(c) *Business Letters*—Letters that are written to carry on business or matters connected with it.

(d) *Official Letters*—Letters written to and by the Government and officers in connection with official business fall under this category.

#### Summary

### COMMERCIAL CORRESPONDENCE

#### Importance

Correspondence helps the growth of a commercial life and facilitates business transactions.

Correspondence establishes contacts, other than Commercial as well, without causing heavy expenditure and botheration.

Smoothens the complicated modern life.

Helps to maintain record of agreements entered into and settle matters.

It is a short cut to settlement of affairs and stands in good stead even in Court of Law.

#### Features.

1. Clearness. 2. Conciseness. 3. Accuracy of facts. 3. Completeness. 5. Courtesy. 6. A forceful expression of your thoughts. 7. Neatness and a proper display.

#### Types.

(a) *Private Letters*.

(b) *Social Letters*.

(c) *Business Letters*.

(d) *Official Letters*.



## CHAPTER II

### FRAMEWORK OF A BUSINESS LETTER

A business letter is usually composed of the following parts :—

1. The Heading.
2. The Date.
3. The name and address of addressee
4. The Salutation or Greetings.
5. Body of the letter.
6. The complimentary close or Subscription.
7. The Signatures.

1. *The Heading*—The name and address of the sender, firm, company or a corporation, are the main things that are included in the heading. The above is put down at the top of the letter. It is also necessary to mention the telegraphic address, telephone number and the code used. Businessmen get the heading printed on their letter papers in beautiful blocks. Just below the name we usually put down the nature of the business carried on. Telegraphic address, telephone number and code used are printed on the left hand side of the paper and the number of the street and the name of the city are printed on the right hand side. Here is an example.

**NARESH & BROTHERS***Cloth Merchants*

Telegraphic address: "UPADHYA" 20, Gwaltoli,  
 Telephone No. 3365. Kanpur.

Code used : A.B.C. 4th Edition.

2. *The Date*—The date is given just below the name of the city on the right hand corner. While giving the date put down the number of the day, the name of the month and the year. Dates may be written in any of the following ways: (a) 15-7-1954, (b) July 15, 1954, (c) 15th July, 1954.

3. *The Name and Address of the Addressee*—By the inside address we mean the following items :

1. The name of the addressee.
2. The title of the addressee.
3. The name of the place, where the addressee runs his business.

Give these details on the left hand margin. For example, the following is the address of the addressee.

Messrs. Vishwanath & Co.,  
 40, Meston Road,  
 Kanpur.

4. *The Salutation or Greetings*—This is a compliment paid to the addressee. "Sir" is the usual form used in official letters. We use "Dear Sir" when we address an acquaintance. In addressing a friendly lady we address her as "Dear Madam", and lastly when we address a firm we address as "Dear

Sirs" or "Messrs."

**N.B.**—*Sometimes the subject is also given just under the salutation e.g., in case of Insurance Companies this subject is commonly given, just to enable the addressee to know the nature of the contents at the first sight.*

5. *The Body of a Letter*—This is the most important part of a letter. We convey all our thoughts to the reader through this part of the letter alone. We divide the body of the letter in 3 parts:

1. The opening paragraph.
2. The main body.
3. The closing paragraph.

In the first paragraph we give the necessary references to the previous correspondence, in which all the essential details such as the date and the number etc. of the letter are mentioned. In the second paragraph we write those points which we want to convey to the addressee and in the last paragraph we give a closing touch to the letter. The last paragraph should be forceful and convincing. It should express a hope for a favourable reply. The following are some of the examples with which a business letter may be beautifully closed:

1. An early reply will be much appreciated.
2. Any further suggestion will be welcome.
3. We are awaiting the receipt of your esteemed orders.
4. We wish you a good run of business in days ahead.

5. Please reply soon.
6. We assure you of our best attention.
7. It will be a pleasure to be of service to you.
8. Hoping to be favoured with fresh instructions and orders.
9. We assure you of our best attention at all times.
10. Have the goodness to respond by the return of post.
11. We hope that this letter will be treated by you as strictly private and confidential.
12. An early acknowledgment of this letter is earnestly solicited.
13. We are awaiting your esteemed orders which shall receive our prompt and best attention.
14. If your quotations are favourable, we propose to cover all our requirements through you.
15. For your convenience we have also enclosed an order form.
16. Kindly note that the above prices carry with them 4% reduction in case if the payment is made within a week.
17. Hoping to be excused for the trouble we are imposing upon you and holding ourselves ever ready to render similar services to you when needed.
18. Hoping you will realize our critical position and excuse for the same.
19. Kindly comply with our request failing which

we shall be compelled to return the damaged goods at your cost.

20. We will be glad to receive a cheque for the amount overdue by the return of post.
21. Assuring you of our best co-operation.
22. Hoping that you will be able to accommodate us, we are—
23. We solicit your best attention to our enquiry.

6. *The Complimentary close or Subscription*—It is written just below the third paragraph of the body of the letter on the right hand corner. The most common forms used in business letters are as follows :

1. Yours faithfully,
2. Yours truly,
3. Yours sincerely.

Such participial phrases as "Assuring you of our best attention," "Thanking you in anticipation," "Awaiting your reply," should be avoided in subscription for these alone do not form a complete sentence hence grammatically wrong. But, if these phrases are to be used at all, they must be followed by such words as "I am," "we are", "we remain" and then by salutation "Dear Sir," "Dear Sirs". After this it should be followed by subscription and signatures.

*Wrong method*  
 Thanking you  
 Yours faithfully  
 P. K. Roy

*Correct method*  
 Thanking you,  
 I am, Dear Sir,  
 Yours faithfully,  
 P.K. Roy.

Never write the abbreviated forms of subscriptions as "Yours etc.", "Your affly", and "Yours ffly". "Yours faithfully" and "Yours truly" are usual forms of subscription in a business letter. "Yours sincerely" may be used when personal relations are very intimate. "Yours affectionately" is not used at all in business letters. "Yours respectfully" is used when one is applying for some junior post or when "Sir" is the salutation adopted. But, if the post is a responsible and superior one, "Yours faithfully" is the subscription used and then the salutation is "Dear Sir" and not "Sir" alone.

7. *Signatures*—This is the last part of a business letter and it is the name of the writer or the firm. Signature should not be typed but it should be signed by hand only. In partnerships any partner legally authorised for the purpose may sign the letter on behalf of the firm. For example:

For Naresh & Sons,  
Raja Ram Gupta  
*Manager.*

In large business concerns it is not always possible for the partners or the heads of the firms to deal with all the correspondence hence the company authorises one of its employees to sign on its behalf. This authorised person then puts his per pro. (per procuration) signatures meaning thereby that the person is legally authorised by the company to sign on behalf of the company or

firm. Simply putting one's name and designation would mean that the letter is written in the personal capacity of the signatory and not on behalf of the company and as such the signature will not be binding on the company. The name of the company or firm on whose behalf the signatory puts his signature must be given after 'for' or 'per pro', for example :

*Per Pro (or P.P) Misra Bros.,*

*P. K. Sethi*

*H. C.*

Some abbreviated terms of dates :

1. Inst. for instant refers to the current month.
2. Ult. for Ultimo refers to the last month.
3. Prox. for Proximo refers to the next month.
4. Id. for Idem refers to the next month.

**FORM OF A BUSINESS LETTER****Letter Heading***(Nature of business carried on)*

Telegraphic Address....	Street or Mohalla....
Telephone No.....	Place.....
Code used.....	Date.....
	Reference No.....

Inside address :—

Salutation.

Subject Heading.

First Paragraph

Second Paragraph

Third Paragraph

Subscription.....

Signature.....

Designation.....

Enclosures.....

Typist's initials.

*(Note : For Model see overleaf)*



firm. Simply putting one's name and designation would mean that the letter is written in the personal capacity of the signatory and not on behalf of the company and as such the signature will not be binding on the company. The name of the company or firm on whose behalf the signatory puts his signature must be given after 'for' or 'per pro', for example :

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Signature.....

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Enclosures.....

Typist's initials.

(Note : For Model see overleaf)

**The Model of a Commercial Letter**  
*Announcing the Opening of a New Business*

**MANNA LAL & SONS**

*Cloth Merchants*

*Code used: A.B.C. 4th Edition*

Telegraphic Address: "Manoa" 70, Meston Road,  
 Telephone No. 456. Kanpur.

Reference No. 410/c. Dated 3rd Sept., 1957.

Messrs Ram Lal & Sons,  
 12, Chowk, Allahabad.

Dear Sirs,

*Sub: Opening of a New Business*

We take this opportunity to let you know that we have very recently started a "Charkha Firm" in our city in obedience to the sacred mandates of our worthy Congress. The various types of Charkhas "Spinning Looms", as manufactured by our firm, are expected to serve a very useful purpose.

We are enclosing a list of our current prices. We are sure you will find our prices quite reasonable and would favour us with an order which would receive our best attention.

Yours faithfully,  
 For Manna Lal & Sons,  
 Raja Ram Gupta  
*Partner.*

Enclosures: Price List.  
 P.S.S.

*Summary***Component parts of a letter.**

1. Heading, Telegraphic address, Telephone number, Code, street, place etc.

2. Date, month and year are written on the right corner, below the name of the city.

3. The name and address of the addressee is written on the left hand margin. This includes, name, title and place where the addressee carries on his business.

4. Salutation or greeting is a compliment paid to the addressee and it should be written below his address.

5. Body is the most important part of the letter. This is where the writer conveys all his thoughts to the reader. It is usually divided into opening paragraph, main body and the closing paragraph. In opening paragraph reference etc. are mentioned, in main body the point that the writer wishes to convey are contained and the closing paragraph expresses a hope for a favourable reply.

6. Subscription is written just below the third paragraph of the main body and is followed by signature which is the last part of a letter.

Typist usually signs at the left end of the letter after mentioning the enclosures.

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## CHAPTER III

### TYPES OF BUSINESS LETTERS

We have to write letters for various purposes. According to the types of business that these letters serve, we may classify them under the following heads :

- (1) Applications.
- (2) Letters of enquiry, quotations and orders.
- (3) Letters of complaints.
- (4) Trade circulars and letters of general announcement.
- (5) Letters of reference.
- (6) Collection letters. (Dunning Letters).
- (7) Agency, Bank, Insurance letters etc.

#### 1. Applications

Applications are written for some job or for some agency. One who applies has to write them. They are letters of a very formal type.

#### 2. Letters of Inquiry, Quotations and Orders.

When the business is carried on, one has to make inquiries, quote price, quality etc., and place order for the things desired. Such letters are of a detailed type and contain many things.

#### 3. Letters of Complaints.

In business, sometimes an occasion arises for some grievance or complaint. Such an occasion arises when there is some difference in the quality of goods supplied or some other reason of the type.

In business it is necessary not to let such an occasion arise, and if such an occasion arises the matter should be settled amicably.

Sometimes it is the railway or the postal authorities that are responsible for breakage or loss that takes place during transit. In such cases the complaint has to be lodged with these authorities in order to make good the loss incurred. Letters that are written in this connection are called letters of 'Complaint and Adjustment'.

#### 4 Trade Circulars and General Announcement Letters.

Often a letter has to be written to many persons. Such letters are written in order to convey some information which is of interest to both the parties concerned. They are called 'Circulars or Circular Letters'.

#### 5. Letters of Reference.

In business reference is of great importance. Letters that are written in order to find out and convey the particulars, status, business connections etc. of a person or a party are called reference letters.

#### 6. Collection Letters

Credit is a common feature of business. Sometimes customer fails to make the payment due, within the stipulated period. Letters that are written for asking or reminding the amount due are called 'Collection of Accounts' or 'Dunning Letters'.

#### 7. Agency, Bank and Insurance Letters.

In the modern days businessmen have to adver-



tise their goods in newspapers and by other methods. Traders in order to sell their goods apply for agency. Letters that are written in this connection are called 'Agency Letters'.

Similarly businessmen cannot do without Bank and Insurance Companies. Letters that are written to and from these Banks and Companies are called 'Bank and Insurance Letters'.

#### Summary

**Types of letters.**

- (1) Applications.
- (2) Letters of inquiries, quotations and orders.
- (3) Letters of Complaints.
- (4) Trade Circulars and general announcement letters.
- (5) Letters of reference.
- (6) Collection Letters.
- (7) Agency, Bank, Insurance Letters etc.

#### Test Question

- (1) What are the various types of letters ?

## CHAPTER IV

### APPLICATIONS AND LETTERS REGARDING APPOINTMENT

Students, who are reading today will have to enter into life. Either they will go into business or take up some job. Those who intend to take up some job will have to apply whenever and wherever a situation is vacant. Those who go in for business will sometimes have to invite application for appointment in their business or concern and sometimes apply to the government or to some other party for some favour or facility. Such letters are called applications and they are of a very formal nature.

#### **Application for Situation Vacant.**

An application for a vacant post or an agency should be written in very courteous, polite, but natural manner. It should have nothing unnatural or artificial about it. An application is the first impression about a candidate's ability and integrity, and so there should be no incorrect statement either about his qualifications, past experience or other such things. A man is usually judged by the opinion that others hold about him and so testimonials, giving out the opinion about the ability and other qualifications of the candidate should also be attached along with the application. Self-praise is not a good thing and so a candidate should not say too much about his ownself.

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## CHAPTER IV

### APPLICATIONS AND LETTERS REGARDING APPOINTMENT

Students, who are reading today will have to enter into life. Either they will go into business or take up some job. Those who intend to take up some job will have to apply whenever and wherever a situation is vacant. Those who go in for business will sometimes have to invite application for appointment in their business or concern and sometimes apply to the government or to some other party for some favour or facility. Such letters are called applications and they are of a very formal nature.

#### *Application for Situation Vacant.*

An application for a vacant post or an agency should be written in very courteous, polite, but natural manner. It should have nothing unnatural or artificial about it. An application is the first impression about a candidate's ability and integrity, and so there should be no incorrect statement either about his qualifications, past experience or other such things. A man is usually judged by the opinion that others hold about him and so testimonials, giving out the opinion about the ability and other qualifications of the candidate should also be attached along with the application. Self-praise is not a good thing and so a candidate should not say too much about his ownself.

tise their goods in newspapers and by other methods. Traders in order to sell their goods apply for agency. Letters that are written in this connection are called 'Agency Letters'.

Similarly businessmen cannot do without Bank and Insurance Companies. Letters that are written to and from these Banks and Companies are called 'Bank and Insurance Letters'.

#### Summary

##### Types of letters.

- (1) Applications.
- (2) Letters of inquiries, quotations and orders.
- (3) Letters of Complaints.
- (4) Trade Circulars and general announcement letters.
- (5) Letters of reference.
- (6) Collection Letters.
- (7) Agency, Bank, Insurance Letters etc.

#### Test Question

- (1) What are the various types of letters ?

#### 4. **Body of the Application.**

An application contains a series of interrelated ideas regarding the applicant's qualifications, experience, age, and other capabilities. All these ideas are so linked together that the following idea seems to be the logical consequence of the preceding one. The main aim of all this is to impress upon the employer that the applicant is quite fit to fill in that post.

Here are some of the points that are to be included in the body of an application :

The introductory paragraph contains the source through which the applicant has come to know about the vacancy. Usually it is an advertisement or recommendation from some person.

Succeeding paragraph contains the statement regarding the applicant's educational qualifications and past experience in the business. If the applicant is leaving some job to take up that appointment the reason for leaving that job should also be given.

The concluding paragraph is the last part of the letter. It is generally an assurance by the applicant to the employer that in case he is selected for appointment, he would discharge his duties honestly, and diligently and would satisfy the employer.

#### 5. **The Subscription.**

It is the last part of the application which the applicant writes before putting down his signature. "Your faithfully" or "Yours respectfully" is generally the subscription that is written, whether applying for a post in some government department or a business concern.

Sometimes candidates are required to apply in their own handwriting and so a good handwriting is generally a matter of credit.

#### **Form of an Application.**

In writing an application the following things are to be borne in mind :

#### **1. Place and Date**

Usually every letter contains the address of the writer and the date on which it has been written. It should be on the top of the letter in the right hand corner.

#### **2. Inside Address of the Employer or Advertiser.**

Usually it is written in the left hand corner of the letter, a little below the address of the applicant. In many advertisements applications are invited through some Post Box or a Newspaper Box No. In such cases the address may be written like this:-

(i) The Advertiser,

Post Box No. 432,

Kanpur.

(ii) The Advertiser,

Box No. 625,

Amrit Bazar Patrika,

Allahabad.

#### **3. Salutation.**

When an application is written for a government post, usually the word "Sir" is used. In other cases also this very word may be used. But in case of Business appointments the use of "Dear Sirs" or "Dear Sir" is generally made.

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(i) The Advertiser,

Post Box No. 432,

Kanpur.

(ii) The Advertiser,

Box No. 626,

Amrit Bazar Patrika,

Allahabad.

##### **3. Salutation**

When an application is written for a government post, usually the word "Sir" is used. In other cases also this very word may be used. But in case of Business appointments the use of "Dear Sirs" or "Dear Sir" is generally made.

52, Dropdi Street,  
Gulam-Ali-Pura,  
Bahraich,  
June 7, 1957.

The Manager,  
Rama Trading Corporation,  
Arya Nagar,  
Lucknow.

Dear Sir,

I shall be obliged if you kindly consider my application for the post of a typist-clerk, advertised in 'Leader' of June 4, 1957.

I passed Intermediate in commerce in 1954 in the first division with distinction in Steno-typing. For the last three years I have been working with a local businessman as a typist-clerk. I can type in Hindi at a speed of 40 words and in English at 50 words a minute.

I am a young man of 21 with a good physique.

I want to leave my present employment because here I do not have any future prospects, Bahraich, being a small town. I shall, therefore, accept the salary of Rs. 85/- as mentioned in the advertisement. I am sure I shall be able to work my way up in a big concern like yours.

If selected, I shall leave no stone unturned to satisfy my superiors.

Yours faithfully,  
Raj Nath Singh.

## PROFORMA OF THE APPLICATION

.....Street  
 .....Mohalla  
 ....Name of the town  
 .....Date

.....  
 Inside address

.....  
 of  
 .....  
 the Employer.  
 .....

.....  
 (Salutation)

Introductory.....  
 .....  
 .....

Second Paragraph.....  
 .....

Third Paragraph.....  
 .....

Concluding Paragraph.....  
 .....

Subscription { Yours faithfully  
 .....  
 (Signature)

post of serving you I shall leave no stone unturned in satisfying you to the utmost through diligence and devotion to duties.

Yours faithfully,  
Suresh Chandra Upadhyaya,  
B. Com.,

Sept. 11, 1957  
Enclosures 4

11/330, Ganesh Nagar,  
Kanpur.

. Many applicants are lucky to get appointment letters in reply to their applications. Appointment letter has nothing new about it. Its form is nearly the same as that of an application. Example follows:

**Letter of Appointment**

New Victoria Mills,  
Kanpur.  
Sept. 18, 1957.

Sri Suresh Chandra Upadhyaya,  
11/330, Ganesh Nagar,  
Kanpur.

Dear Sir,

In reply to your application dated Sept. 11, 1957 for the post of a clerk, we are glad to inform you that we have decided to appoint you at this place.

The salary which we can pay you at present would be Rs. 120/- per month plus Rs. 25/- as D.A.

Please send your acceptance and join the office within a week.

Yours faithfully,  
For New Victoria Mills  
Ram Prasad  
Manager.

There is another form of writing application as well. In this form the address of the applicant is not given at the top of the left hand corner, but below his signature and the date is put down at the left hand end, just opposite to the address. Enclosures, as usual are mentioned below the date.

To

The Manager,  
The New Victoria Mills Co., Ltd.,  
Kanpur.

Sir,

With reference to your advertisement in today's "Pioneer" for the post of a clerk in your mill, I beg to offer myself for the same.

As regards my qualifications I beg to state that I passed my B. Com. examination from the Agra University in the year 1951 with Advanced Accountancy and Auditing as my special subject and was placed in the second division.

As regards my experiences I beg to state that after graduating myself, I entered the firm of Messrs. Manna Lal & Sons, Chowk, Kanpur, as a clerk where I am still serving.

I am 25 years of age and can discharge all sorts of duties entrusted to me. I am very much interested in games, specially in football and cricket.

I enclose copies of a few testimonials from my professors for your information and kind perusal.

In the end I shall not omit to mention that in case I have the privilege of being selected for the

## CHAPTER V

### DIFFERENT TYPES OF BUSINESS LETTERS

#### Enquiries, Quotations and Orders

It has been pointed out in the foregoing chapters as well that letter-writing is an art all unto itself. One must be extremely cautious while drafting commercial letters. The reason is not too far to seek. A mistake means a great loss to you, and even may cause your position to be lowered in commercial world. Therefore put down all items concerned in a tabulated form duly recognised in course of all commercial activities. The following points must be borne in mind while writing letters of enquiries, those of quotations and also letters of orders :

1. The details about quality, quantity, price, and mode of packing should be given in full.
2. If necessary put in your orders to the accompaniment of samples as well.
3. All references should be clear and should contain all information in full as usual. In case, where you put in an order for goods, state at the end of each such letter that goods to be supplied should be good enough in respect of materials and workmanship, in general.
4. While giving quotations use printed forms for

**Test Questions**

1. Answer the following advertisement:  
"Wanted a junior clerk for the office of the Victoria Mills Co., Ltd., Kanpur, on a salary of Rs. 80/- per mensem. The applicant should have a good knowledge of Typewriting. Apply stating age, qualifications and experience to the Manager."
3. Write an application in response to the following advertisement appearing in the National Herald dated 30th June, 1957.  
"Wanted a lecturer in Commerce for Inter Classes in the grade of Rs. 150-10-190-15-250/-. Apply to the Principal, D.A.V. Inter College, Kanpur."
3. As a Manager of New Victoria Mills, Kanpur, draft a letter of an appointment to Shree Suresh Chandra Upadhyaya, 11/330, Ganesh Nagar, Kanpur, mentioning the terms of an appointment.

## Letter making an Enquiry

32, P. Road,  
Kanpur.

Dated, 10th Sept., 1957.

Messrs Girdhari Lal & Co.,  
19, Gandhi Road, Bareilly.

Dear Sirs,

We feel pleasure to inform you that we have recently opened a cloth mill on a large scale in our city, for which tables, chairs, almirahs and benches are very much needed at present. We shall feel highly obliged to you if you please favour us with your present rates of prices of each of the above mentioned items.

In case your rates prove to be cheaper we are soon going to place an order with your firm.

Please be kind enough to favour us with an early reply.

Yours faithfully,  
Har Shyam & Sons.

## Letter giving Quotations

7, Souter Ganj,  
Kanpur.

Dated, 12th Sept., 1957.

Messrs Jai Shyam & Co.,  
8, Ram Bagh Road,  
Allahabad.

Dear Sirs,

With reference to your letter No. 18/B.G. dated 10th September 1957, asking for our rates in respect



that purpose. Keep in your office a copy of all such quotations for reference purposes, and also number these forms.

5. Where you want prices to be paid in a particular way, state that mode of payment in your letters and also mention the total amount payable to you in words as well as in figures.
6. Names of places should be very correctly spelt lest the goods should be delivered to a wrong addressee.
7. Delay in commercial matters should be strictly avoided as in all such cases litigation in a court of law may be the natural consequence to the detriment of one party or the other.
8. They should also be persuasive in language as well as polite enough so that you may secure an order.
9. Ambiguous and vague informations should be avoided.
10. Very often the transaction is to be carried on through the Bank. In such a case the name of the Bank with branch should also be mentioned.

ing goods with you :

1000 Tables @ Rs. 20/- each.

5000 Chairs @ Rs. 10/- each.

500 Almirahs @ Rs. 50/- each.

200 Desks @ Rs. 20/- each.

Please take special care in despatching them by goods train, freight to pay, to Kanpur ; and that all these goods should reach us by 15th Oct. 1957. The Invoice of the goods may kindly be sent to us direct per ordinary post for our information and the R/R through the State Bank of India, Kanpur. With regard to our prompt dealings you may kindly refer to Messrs Raja Ram & Sons, 41, Ram Bagh, Kanpur.

Hoping that you will be able to accommodate us.

We are,  
Yours faithfully,  
Har Shyam & Sons.

**Reply of the Order Letter or Letter of Advice**

19, Gandhi Road,  
Bareilly.

Sept. 25, 1957.

Messrs Har Shyam & Sons,  
32, P. Road,  
Kanpur.

Dear Sirs,

We thank you for your valued order No. 25/L. N. 322 dated Sept. 15, 1957. The goods have been

of benches and desks etc., we have the pleasure to quote our rates as follows :

1. Tables @ Rs. 20/- each.
2. Chairs @ Rs. 10/- each.
3. Almirahs @ Rs. 50/- each.
4. Desks @ Rs. 50/- each.

Terms : 2% discount.

The rates quoted above refer to the "Sagoon" wood only. Kindly let us know by what time all these articles should be supplied at the latest. Please also be good enough to pay off the total prices in advance so that we may feel encouraged to comply with your order within the specified period.

Hoping to receive all such orders in future as well.

We are,  
Yours faithfully,  
Girdhari Lal & Co.

**Letter containing an Order**

32, P. Road,  
Kanpur.

Dated 15th Sept., 1957.

Messrs Girdhari Lal & Co.,  
19, Gandhi Road,  
Barcilly.

Dear Sirs,

With reference to your letter of the 12th Sept. 1957, regarding quotations for tables and chairs, we have the pleasure in placing our order for the follow-

**Letter to an old customer who has not placed an  
order for a long time**

41, Hospital Road,  
Agra,  
July 8, 1957.

Messrs Ganesh Prasad & Bros.,  
40, Nawab Ganj,  
Kanpur.

Dear Sirs,

On going through our despatch register, we find that you have not favoured us with an order for a long time while you have been our valued and regular customer.

We take this opportunity to let you know that we have reduced the prices of the articles, the price list of which is enclosed herewith.

We solicit your kind patronage and are sure that you will favour us with an order which would receive our best attention.

Encl. 1

Yours faithfully,  
For Jagan Nath & Sons,  
Ram Narain  
*Partner,*

despatched yesterday by Goods train packed and marked according to your instructions against Railway receipt No. 425 (N.R.) dated 24th Sept. 1957.

The invoice of the goods is enclosed with this letter and the R/R has been sent to the State Bank of India, Kanpur.

We trust that in future we shall be favoured with more orders. An early acknowledgment of the receipt of the goods will be greatly appreciated.

We are, Dear Sirs,

Yours faithfully,

Girdhari Lal & Co.

**Cancellation of an Order**

32, P. Road,

Kanpur.

Dated 18th Sept., 1957.

Messrs Girdhari Lal & Co.,  
19, Gandhi Road,  
Bareilly.

Dear Sirs,

We very much regret to cancel our order No. 157/AG dated the 15th Sept. 1957 for Tables and Chairs. We have a large stock of these goods in our godown. Their exhaustion was wrongly reported to us by our clerk. We assure you to place an order for these goods when they are sold out.

We hope that you would not mind the inconvenience caused by cancellation of our order.

Yours faithfully,

Har Shyam & Sons.

**Offer declined, prices being high**

37, Hospital Road,  
Agra.

28th June, 1957.

Messrs Ram Bharosey & Co.

Sodh,

Kanpur.

Dear Sirs,

We are in receipt of our letter of the 20th instant, making offer for some carpets and blankets.

We are obliged for the offer, but regret to point out that we are unable to place an order, the prices quoted by you being much higher than those ruling in the market elsewhere.

Yours faithfully,

For Ram Pal & Sons.

Yogendra Nath

*Partner.*

### **Test Questions**

1. Write a letter to an Indian firm for quotations of the rates of the articles in which the firm deals. (U.P. 1952)
2. Write a letter to Messrs. Visheshwar Dayal Mool Chand, 37, Karachikhana, Kanpur quoting prices and terms of payment in reply to an enquiry from them in respect of all such items.
3. Write the following letter :—  
One ordering a set of books from the Indian Book shop of Banaras. (U.P. Board, 1954)

## Letter making an offer to a firm

41, Sodh.

Kanpur.

June 20, 1957.

Messrs Ram Pal & Sons,  
37, Hospital Road,  
Agra.

Dear Sirs,

We are pleased to offer you the under-noted,  
subject to being unsold, as per samples sent.

(1) 2000 carpets, sample No. 144

@ Rs. 25.50 Naya Paiza, each. F.O.R

(2) 4000 Blankets, sample No. 555 @ Rs. 50.12  
Naya Paiza each. F.O.R.

The prices are for immediate delivery and are  
subject to 5% deduction for payments within a  
month. We have quoted you low prices, and it  
will be in your interest to place an order.

Hoping this offer to appeal you.

We are,

Yours faithfully,

Ram Bharosey &amp; Co

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- (1) 2000 carpets, sample No. 144  
@ Rs. 25.50 Naya Paisa, each. F.O.R
- (2) 4000 Blankets, sample No. 535 @ Rs. 50.12  
Naya Paisa each. F.O.R.

The prices are for immediate delivery and are subject to .5% deduction for payments within a month. We have quoted you low prices, and it will be in your interest to place an order.

Hoping this offer to appeal you.

We are,  
Yours faithfully,  
Ram Bharosey & Co

## CHAPTER VI

### LETTERS OF COMPLAINTS

Literally speaking a complaint means a grievance in some form or the other. These grievances arise generally when we are dissatisfied with someone concerned, having some sorts of dealings with us. A complaint bespeaks a state of things amounting to a tension. In all such cases we should see that the trouble is nipped in the bud. The more you allow time to pass in all such cases the greater you may give rise to chances for a more serious type of a complaint. It is always good enough to rise full to the occasion at the earliest opportunity available. In America and other civilised countries there are very good institutes whose main objective in view is to cut short all such grievances without causing any harm to any party at all. No doubt, they charge certain dues for running a regular staff in this behalf, but in any case the general good done by such institutes is certainly commendable. In India there is a general tendency to refer matters either to arbitrators or to courts of law for an early settlement of the disputes. This practice, too, is good enough but that it would not be bad if we were to get all our business disputes settled on the lines of all civilized countries as referred to above. As a matter of fact a complaint letter should be very clearly drafted so that no ambiguity may crop up

4. Write the reply of an order Letter or the Letter of advice.
5. Write a letter cancelling the order which you have placed with some businessman.
6. Write a letter to an old customer of yours from whom you have not received any order for a considerable time.

(*U.P. 1942, Raj. 1939*)

7. As a Manager of a firm, in Kanpur, write out a letter making a trade offer.
8. Write a letter as from a cotton broker in Liverpool to a merchant in Bombay, giving details of the arrivals of Indian Cotton in Liverpool and the consequent fall in prices. Advise him to make large purchases in view of the probable revival of business in the near future.
9. Write a letter enclosing price list. Employ fictitious name and address. (*U.P. I. Com.*)
10. On receipt of an order Messrs Bhagwan Dass & Sons, Dealers in Fountainpens write a letter of acknowledgment, informing that the goods have been despatched by the passenger train and the R/R through the bank. Draft the letter.

at his own personal costs likely to do any harm to his own business.

Letters of complaint are generally accompanied by the request to make good the loss incurred. They require adjustment either in account or order supplied and so letters of adjustment are also to be treated under this head.

**Complaint about the Inferior Quality of the goods**

54, Chandni Chowk, Delhi.

September 25, 1957.

Messrs Smith & Sons,  
47, Clive Avenue, Bombay.

Dear Sirs,

It has given us special pleasure to have received your letter of the 10th instant. The rates of blankets and other woollen stuffs as quoted by you in your aforesaid letter are quite acceptable to us.

We thank you very much for having supplied us with all these goods excellent in respect of materials and workmanship in general. However, we have simply been taken by surprise to find that a few of these blankets (fifteen in number) are a bit faulty in general looks. We attribute all this to the carelessness on the part of some of the employees concerned.

We hope you would very kindly as usual supply us only good ones in place of all these bad ones.

Thanking you in anticipation for favour of an early compliance,

We are,  
Yours faithfully,  
Ram Bahadur & Co.

out of it at all. Angry moods should always be avoided at the time of drafting all such letters. The general tone of the letter should be perfectly legal and all to the point only. There must be left absolutely no room for anything vague, in sense or in law. The main objective behind all this is to take the poison out of the whole thing so that business may be run on very good and courteous lines only.

In commercial activities in particular if bad blood crops up it may naturally enough, if not checked at the very outset of things, develop into a serious trouble to the detriment of any disputing party concerned. All this may even cause your own business to fall off in due course. Replies to all complaints, if any at all, should invariably be courteous in tone and brief in language. Subject to exigencies of the situation a detailed reply may also be put in subsequent to all such legal consultations as may be found necessary. Never try to put the other side in the wrong but so far as practicable try to ensure that the trouble is cut short at the least risk in time and costs to both the sides concerned. Do not hazard your personal dignity but at the same time avoid mud-throwing over all others concerned as well in the matter. Petty complaints should always be discouraged in all commercial affairs. It means that, to make few words of the whole thing, a good business man always safeguards others' position and honour but that all this, to be sure enough, never

**Letter of complaint about Delay in Supplying goods**

13, Hamirpur Road,  
Hamirpur.  
Sept. 25, 1957.

Messrs Ram Narain Lal & Sons,  
12, Katra Road, Allahabad.

Dear Sirs,

We invite your kind attention to our letter dated 12th of August 1957, in which we had requested an early supply of the goods mentioned therein. About a month's time has passed since then but all this to no avail so far. The customers are dunning us hard every day for all such articles with the result that we feel compelled to put them off under some excuse or the other. As this, our business is suffering very much these days.

We request you, therefore, to supply the goods at a very early date and we shall be highly pleased to receive them immediately.

Yours faithfully,  
Gur Prasad & Bros.

## Reply to the above

47, Clive Avenue, Bombay.

October 3nd, 1957.

Messrs Ram Bahadur &amp; Co.

54, Chandni Chowk, Delhi.

Dear Sirs,

We are in receipt of your letter dated 25th September 1957 and are very sorry to learn that you have been put to inconvenience due to inferior quality of fifteen blankets. In fact we have supplied your order out of the lot imported by us. We did not care to see to the quality of each piece as the samples sent to your were also out of this lot, selected at random. However, we realise that the slip is a mistake on our part and apologize for the same.

To-day we have sent 15 blankets per passenger train but request you to keep the former ones as well with you and try to sell them and for that we shall allow you an extra discount of 5 %. In case you fail, we shall take them back at the end of the financial year. Hope this will satisfy you

We are,  
Yours faithfully,  
Ram Bahadur & Co.

**Complaint about Breakage and Adjustment-Demand**

24, Aminabad Park,

Lucknow.

28th May, 1957.

Messrs Dilip Das & Sons,  
17, Park Street,  
Calcutta.

Dear Sirs,

We have received one case containing 'Camel Ink' and pocket diaries. Six ink bottles of 2 oz. size have been found broken. The ink, having leaked out has spoiled a dozen of pocket diaries. These diaries if put in the market will hardly fetch half the invoice price. We hope that you will please correct our account in your books and make necessary adjustments and send a credit note for the broken ink-bottles. In regard to pocket diaries, please inform us if we should send them back for replacement.

Yours faithfully,  
For Beni Madho Ram Nath,  
Beni Madho  
*Partner*



## Reply to the above

12, Katra Road,  
Allahabad.

Sept. 30, 1957.

Ref. No. 017 27.

Messrs Gur Prasad & Bros.  
13, Hamirpur Road,  
Hamirpur.

Dear Sirs,

We have despatched to you to-day hundred Stoves (Primus) by passenger train against R/R No. 2714(N.R.) We very much regret the delay and the inconvenience caused to you But we may assure you that it was not due to negligence on our part but a very heavy rush of orders. Inspite of our staff working overtime we could not supply your order earlier. We hope, therefore, that you will please excuse us for the delay. Now, of course we have added a few more hands to our staff and so there will be no such difficulty in future.

Hope you will like the design and quality of the stoves.

Yours faithfully,  
For Ram Narain Lal & Bros.  
P.O. Banda  
*Manager*

Claim against Postal authorities

MOHAN LAL SURESH CHAND

*Art Framers*

Aminabad,

Lucknow.

2nd February, 1957.

Ref. No. C/5/52.

The Post Master General,

U.P. Circle,

Lucknow.

Dear Sir,

We despatched to Surya Kumar Singh, Tikra House, Sitapur an insured parcel on 15th. January, 1957 from Aminabad Post Office against Receipt No. 50479. The parcel contained two framed pictures and was insured for Rs. 200/-. It has not reached the addressee as yet and there seems to be some mistake about it. Will you kindly get the parcel traced and delivered to the addressee? In case of failure, kindly arrange an early payment of Rs. 200/- to us.

Yours faithfully,

For Mohan Lal Suresh Chandra,

Suresh Chandra

*Partner*

Reply to the above  
DILIP DAS & SONS  
*Manufacturing Stationers*

17, Park Street,  
Calcutta.

3rd June, 1957.

Messrs Beni Madho Ram Nath,  
Booksellers and Stationers,  
Aminabad,  
Lucknow.

Dear Sirs,

We have received your letter dated 28th May 1957 and are sorry to learn that six ink bottles have been found broken and a dozen of diaries have been spoiled. Please do not send the diaries back. We shall let you have 50% reduction on the invoice price of the diaries to save you the loss.

We are enclosing a credit note to cover the cost of the broken ink bottles and the discount on the pocket diaries. However, we hope, you will appreciate that it is not the defective packing but the mishandling of the railway staff which is responsible for the loss.

Yours faithfully,  
For Dilip Dass & Sons,  
Ram Dass  
Manager

**Test Questions**

1. Write a letter of complaint from Messrs. Gur Parsad and Bros., 76, Ram Bagh, Kanpur to Messrs. Hazari Lal & Sons, 57, Chandni Chowk, Delhi regarding delay in the matter of supply of goods.
2. Write a complaint letter to Mulloo & Bros., 76, Ram Bagh, Kanpur regarding the inferior quality of the goods supplied to you.
3. Messrs. Ram Dayal & Sons, Allababad have received a consignment from Messrs. Ram Singh & Co., Stationers, Kanpur. In the consignment certain articles have been damaged. Draft a letter of complaint demanding adjustment.
4. You sent a Registered Parcel to your friend but it was not delivered to him. Write a letter to the Postal authorities regarding the matter.
5. Draft a letter of claims to be addressed to Claims Superintendent, N. Railway, as certain bundles despatched at Railway Risk were received by you in damaged condition.

Claims against Railway  
GANESH PRASAD & SONS  
*Booksellers & Publishers*

19, Gwaltoli,  
Kanpur.

Dated 20th. June, 1957.

The Claims Superintendent,  
N.E. Railway,  
Gorakhpur.

Dear Sir,

We took delivery today of 10 bundles of school books consigned to us by Messrs. Mullo & Bros. 75, Chowk, Lucknow, as per Railway Receipt No. 76543 dated 17th June, 1957. Ten bundles out of twenty have been received over here in a damaged condition. We noted down this fact on the Railway receipt while surrendering it to the railway authorities.

The bundles have been damaged in the course of transit, hence we hereby claim Rs. 2000/- and 50 n.P., being the cost of the goods damaged.

Please get this matter inquired into through the agency of some reliable railway authority concerned and settle our claim promptly.

Hoping to hear soon from you.

We are,  
Yours faithfully,  
Ganesh Pd. & Bros.

address. Sometimes the address is typed or written with hand. Usual salutation is "Gentlemen" when firms are to be addressed but in case of individuals "Dear Sir" or "Dear Madam" is used. Generally "Yours faithfully" is used in subscription, after which signature is put. It is not necessary that it should be signed in hand-writing. Sometimes the facsimile signature-seal of the person authorized to sign on behalf of the firm is put.

A circular letter should be brief and to the point. It should not contain anything other than what is strictly necessary to be conveyed. The information conveyed should be of a general nature and also of interest to those who receive a copy. A personal touch brings home the point more easily.

The following are some of the matters in regard to which circular letters may be written :—

1. Establishment of a firm.
2. Amalgamation of business.
3. Extension of business.
4. Changes in partnerships.
5. Changes in usual addresses.
6. Dissolution of the firm and its consequent business.
7. Admission or retirement of a partner.

## CHAPTER VII

### TRADE CIRCULARS AND LETTERS OF GENERAL INFORMATION

A circular letter is intended to convey certain message to the persons or the institutes concerned. As such each such circular letter must be very carefully written, lest it should be treated as a piece of waste paper by the reader concerned. It may, however, be addressed to one single person alone as well. It goes without saying that accuracy is invariably the test of a good letter whatsoever. It should be drafted on certain prescribed lines only, as short of all that makes an unpleasant reading. It should also be attractive enough in language and all to the point only. Touch upon all such subject matters alone that have a direct bearing to the matter in issue. All such letters may fall under many important heads. In all such cases all the necessary particulars should always be supplied to the addressee concerned in the interests of a good and paying business. For instance you open a new trade and close it at the same time very often. You also change your particulars, partners and places of your usual business too. Very often you join hands in business with many a new firm. All such circulars may fall under these heads and many other such like heads. In all such letters you need not write anything that is paddy enough.

A circular letter usually does not contain inside

Announcing the amalgamation of business

9, Chowk,

Lucknow,

15th Sept., 1957.

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Dear Sirs,

We are happy to inform you that, in order to carry on business in a more efficient and satisfactory manner, we have decided to amalgamate the two firms, 'Ram Lal & Sons' and 'Shyam Lal & Sons'. They will now carry on the business under the title of 'Goodwill & Co.'

All accounts outstanding in the books of the two firms have been taken over by the new firm and will be settled in the usual course of business.

As both the firms have been carrying on business of similar nature, the amalgamation will mean better resources, larger capital, better management and a more efficient execution of orders.

We hope our old customers will continue to patronise the firm as before.

Yours faithfully,  
For Ram Lal & Sons.



Announcing the Opening of a New Business

**Manna Lal & Sons**

*Cloth Merchants*

Tele. Address : "Manna"  
Telephone No. 470.  
Reference No. 375/C.

70, Meston Road,  
Kanpur.  
Oct. 1st, 1952.

Messrs. Ram Lal & Sons,  
12, Chowk, Allahabad.

Dear Sirs,

We take this opportunity to let you know that we have very recently started a "Charkha Firm" in our city in obedience to the sacred mandates of our worthy Congress. The various types of Charkhas (spinning looms) as manufactured by our firm are expected to serve a very useful purpose.

We hope you would never fail to place an order with us for an early supply of each such kind of these looms to your best advantages. We are enclosing a list of our current prices as well.

Hoping to be favoured with your esteemed order, which would receive our best attention.

We are,  
Yours faithfully,  
For Manna Lal & Sons,  
Raja Ram Gupta.

**Changes in Partnership**

54, The Fort Road,  
Delhi.

Dated, Dec. 15, 1956.

Messrs. Ram Bilas & Co.,  
22, Agra Fort,  
Agra.

Dear Sirs,

We feel pleasure to write to you, as we have recently done in the case of all other firms concerned, that due to certain upheavals in the commercial world all round many a partner has been influenced very much by this new state of things. Sri Har Prasad, a partner of our firm, has retired from the business lines as a result of his having joined the Bar quite recently. Similarly Sri Ram Kishore, an old lawyer of this city, has cast in his lot as a partner with us in place of the aforesaid out-going partner. The necessary changes have already been made in the constitution as usual.

Our firm still retains its present name, it goes without saying.

We, however, strongly hope that you would please continue to favour us with new orders as you have been doing so far.

Thanking you in anticipation,

We are,  
Yours faithfully,  
Dal Chand & Co.

**Extension of Business**  
**BANWARI LAL GIRDHARI LAL**  
*Wholesale Cloth Merchants*

Aminabad,  
Lucknow.  
March 25, 1957.

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Gentlemen,

We are pleased to inform you that we have recently opened our branch at 27, Kutchery Road, Gonda where like our Head Office we shall carry on the wholesale business of all varieties of cloth.

We have taken this step to cater to the needs of our customers from Eastern Districts who have to cover a long distance and incur a good deal of expenditure in coming over to Lucknow.

Hope you will take full advantage of the facilities and favour us with orders.

Yours faithfully,  
For Banwari Lal Girdhari Lal,  
Banwari Lal  
*Partner.*

### **Dissolution of Business**

Sometimes a business firm has to dissolve itself and cease functioning. This is done due to various reasons and information in this regard has to be sent to all concerned. Such circulars should contain :

(a) Reason for liquidation. This may be due to insolvency, death of a partner, heavy losses in business or voluntary dissolution etc.

(b) The name and signature of the liquidator.

(c) Expression of gratitude for the past support.

### **Dissolution of Partnership-Business**

**MUSHRAN BROS.**

*Stationers and Paper Merchants*

4, Chandni Chowk,  
Delhi.

15th. Sept., 1956.

Gentlemen,

We beg to inform you that the partnership business that was being carried on by us jointly will be dissolved by mutual consent on 15th. proximo and our business will be discontinued from that date.

The winding up of business has been placed in the hands of Sri Krishna Sahai Saxena, Advocate, who has been authorized to settle all outstanding

• **Change in Address**

9, Aishbagh,  
Lucknow.

15th. October, 1956.

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Gentlemen,

We have pleasure in informing you that we are moving to our new factory building at 47, Station Road, Lucknow.

These premises are spacious enough to accommodate the additional machinery which we have recently purchased to add to our capacity of works. The new premises are also nearer to the Railway Station and this will enable us to be more prompt in the despatch of goods.

We hope the shifting shall be complete by 20th. instant and we shall start working from 25th. October, 1956.

Please send your orders at our new address.

Yours faithfully,  
For Raja Metal Works.  
B.M. Banthiya,  
*Proprietor.*

## CHAPTER VIII

### LETTERS OF REFERENCE

*In business information about the parties with whom we have to deal is of great importance and help. It helps in granting credit, keeping smooth financial relations and carrying on business without risk. It is, therefore, of utmost importance to collect maximum possible information about the standing, reputation, business integrity and financial position of the parties we deal with. The task is a difficult one as many businessman try to conceal their actual financial position, while others shirk giving information about the third party. Formerly such an information could be obtained through business friends but now there are banks and Chambers of Commerce which supply reliable information. In western countries there are Bureaux which supply such information on payment.*

In asking for and sending replies to such enquiries great care should be taken. While asking, the letter should be so worded that it does not hurt the susceptibilities of the parties concerned. But while furnishing, still greater care is required. Information furnished should be perfectly correct. If it is not possible to obtain, reliable information about the party concerned this should be frankly admitted.

*The name of the party about which information is*

firm. Convey this information to all concerned.

5. Messrs. Steel & Co., Aishbagh, Lucknow have shifted to their own premises at Golaganj. Draft a circular to be sent to all concerned.
6. Messrs. Sita Ram Ram Dayal have decided upon voluntary dissolution. They were carrying on wholesale business of cloth at 15, Chowk Bazar, Kanpur. Intimate all concerned.



S.U. CENT. LIB. UDAIPUR

**Letter furnishing Trade Reference**

37, Ramkrishna Nagar,  
Kanpur.

Sept. 30, 1952.

Messrs. Gajadhar Prasad & Sons,  
30, Raja Mandi,  
Agra.

Dear Sirs,

In reply to your letter dated Sept. 24, 1952 requesting for a reference, we have the pleasure in giving you the name of Messrs. Ram Pal & Sons, 40, Hospital Road, Agra with whom we have business relations.

Hoping this to be to your satisfaction,

We are,  
Yours faithfully,  
Ram Pal & Sons.

**Enquiry re : Solvency of Firm**

30, Raja Mandi,  
Agra.

3rd October, 1952.

Messrs. Ram Pal & Sons,  
40, Hospital Road,  
Agra.

(Confidential)

Dear Sirs,

Messrs. Raj Narain & Sons, 37, Ramkrishna Nagar, Kanpur have referred us to you for infor-



supplied is usually noted on a separate slip specially when the information furnished is unfavourable. Letters as well as replies to such enquiries are always marked 'Confidential' or 'Strictly Confidential'. Replies to such enquiries generally end with a paragraph disowning all responsibility for the contents of the letter. Here are a few examples;

**Letters Regarding Trade Reference**

**Letter requesting reference**

30, Raja Mandi,  
Agra,  
Sept. 24, 1952.

Messrs. Raj Narain & Sons,  
37, Ramkrishna Nagar,  
Kanpur.  
Dear Sirs,

We thank you very much for your order dated Sept. 22, 1952 for 500 tables. As it is for the first time that we are entering into business relations with your firm, we request you to furnish us with a trade reference as usual. However, your order is under execution and is receiving our best attention.

Hoping an early reply,

We are,

Yours faithfully,  
Gajadhar Prasad & Sons.

They have been our customers for the last ten years and have made payments promptly and taken discount.

In our opinion you can safely grant them credit for whatever they have ordered.

This information is supplied to you in strict confidence and we do not take any responsibility on us for the payment.

Yours faithfully,  
For Ram Pal & Sons,  
Sita Saran  
*Manager.*

**Unfavourable Reply**

40, Hospital Road,  
Agra.

6th October, 1952.

Messrs. Gajadhar Prasad & Sons,  
30, Raja Mandi,  
Agra.

, (Confidential)

Dear Sirs,     "

We are in receipt of your enquiry dated October 3, 1952 and in reply we have to say that the firm in question has for the last two years running its business under financial difficulties. For the last one year they have not paid our bills which amount to Rs. 3000/. Under the circumstances we would recommend cash transactions only.

mation regarding their financial stability. We shall be much obliged if you will give us some information as to their commercial position and repute. Please also intimate to us whether we can give them safely a credit of Rs. 5000/- (five thousand) only for a period of three months.

You may rely on our discretion to use any information with which you may favour us in absolute confidence.

Yours faithfully,

For Gajadhar Prasad & Sons,

Ram Nath

Manager.

**Favourable Reply**

40, Hospital Road,

Agra.

6th October, 1952.

Messrs. Gajadhar Prasad & Sons,

30, Raja Mandi,

Agra.

(Confidential)

Dear Sirs,

We are in receipt of your confidential letter dated October 3, 1952 wherein you enquired about the financial stability of Messrs. Raj Narain & Sons, Kanpur.

We have pleasure in stating that our dealings with this firm have always been satisfactory.

## CHAPTER IX

### COLLECTION LETTERS OR DUNNING LETTERS

To-day credit reigns supreme. Every business-man has to supply his goods on credit and realise the money after a certain date. Generally the customers, in order to maintain their credit, pay back the money but often they fail and the creditor has to take steps to realise his money. These accounts are generally settled by correspondence.

*First reminder.* A statement of accounts along with request for settlement is sent out to serve as the first reminder.

*Second reminder.* If no reply is received to the first letter, a second reminder has to be sent. The writer should avoid strong and unpleasant language, as the delay may be due to oversight and the relations between the debtor and the creditor are to be maintained.

*Third reminder.* If no reply is received to the second reminder, the third one becomes due. In this letter definite demand should be made but in a polite language.

*Fourth and the final reminder.* If the third reminder also remains unheeded to and the debtor does neither pay nor render any satisfactory explanation, the fourth and the final reminder should be sent. The debtor should be warned that if the

The above information is supplied in strict confidence and without any prejudice.

Yours faithfully,  
For Ram Pal & Sons,  
Sita Saran  
*Manager.*

#### Test Questions

1. Write a letter to Messrs. Ram Pal & Sons, 37, Hospital Road, Agra asking them to make enquiries as to the financial stability of Messrs. Chhail Behari Lall & Sons, 31, Manik Chowk, Fatehpur with whom your Company is about to enter into an important contract.
2. Write a letter furnishing information regarding the financial position of a businessman you have known for a number of years.  
(U. P. Board, 1955)
3. Write a letter requesting reference in accordance with the usual customs.
4. Write a letter furnishing Trade Reference.

**Second Letter for Payment**  
76, Ram Bagh,  
Kanpur.

Oct. 18, 1952.

Messrs. Hazari Lal & Sons,  
57, Chandni Chowk,  
Delhi.

Dear Sirs,

It is simply to remind you of our letter of the 3rd. instant regarding the sum of Rs. 1000/- long overdue. The current financial year is soon closing and so please be prompt enough in paying off the aforesaid amount at your earliest convenience.

Thanking you for all your kind regards towards our firm.

We are,  
Yours faithfully,  
Gur Prasad & Bros.

**Third Letter for Payment**

76, Ram Bagh,  
Kanpur.

Oct. 30, 1952.

Messrs. Hazari Lal & Sons,  
57, Chandni Chowk,  
Delhi.

Dear Sirs,

We have simply been taken by surprise to find that despite the two previous letters sent to you

payment is not made immediately, he should be ready to bear the consequences of legal step. This letter should be definitely firm in demand but, even at this stage, rude and impolite language should be avoided.

This is generally sent under registered cover with acknowledgement due.

In some cases businessman may have to send even more than four reminders while in certain cases less. Regarding the number the businessman should use his discretion.

#### First Letter for Payment

76, Ram Bagh,  
Kanpur.  
October 3, 1952.

Messrs. Hazari Lal & Sons,  
57, Chandni Chowk,  
Delhi.

Dear Sirs,

While going through our books we find that a sum of Rs. 1000/- was due since March 1951. We shall feel highly obliged if you kindly make the necessary arrangements in the matter and arrange for our payment as early as possible.

A cheque in payment at an early date will oblige.

Yours faithfully,  
Gur Prasad & Bros.

compelled to take legal steps against you with all risks of costs to you alone.

We remain, Dear Sirs,  
Yours faithfully,  
Gur Prasad & Bros.

**Reply of the danning letter from the debtor to  
the creditor**

57, Chandni Chowk,  
Delhi.  
Nov. 28, 1952.

Messrs. Gur Prasad & Bros.,  
76, Ram Bagh,  
Kanpur.

Dear Sirs,

We received your letter of the 20th instant asking for a remittance of Rs. 1000/- in full settlement of your account. We were intending to send you a cheque in full payment but due to present market conditions we could not remit the money.

Attempts are, however, being made to pay up all the dues lying so far in arrears as soon as possible. We are enclosing a cheque for Rs. 500/- only, and hope to cover up the balance in full within a short time without causing you much inconvenience.

Hoping you to realize our critical position and to excuse us for the same,

We are,  
Yours faithfully,  
Hazari Lal & Sons.



for the payment of Rs. 1000/-, we have met with no favourable response in this connection so far. It would be sheer waste of time indeed to write letters to you in this behalf again and again.

Please look sharp as the close of the financial year is quite at hand.

Yours faithfully,  
Gur Prasad & Bros.

*Final Letter for Payment*

*Regd. A.D.*

76, Ram Bagh,  
Kanpur.

Nov. 20, 1952.

Messrs. Hazari Lal & Sons,  
57, Chandni Chowk,  
Delhi.

Dear Sirs,

We simply feel very much pained over the indifference with which our repeated letters of demand for the payment of the stipulated amount have been dealt with by your firm right upto this time.

We have consulted our legal advisers already in this connection, who advise us to put in a civil action against your firm.

Despite this fourth reminder in case you fail to pay up all this money, we shall be unwillingly

## CHAPTER X

### MISCELLANEOUS LETTERS

#### (a) *Agency Letters.*

Ours is an age of competition and for survival success in competition is rather essential. In order to succeed we have to advertise and publicize our qualities. Manufacturers and businessmen too advertise their goods through news papers and trade journals. In response to such advertisements, traders and parties desirous of taking up agencies send in their applications. Sometimes manufacturers select some business firms of standing and offer their agency to them. This whole process of offering, applying and giving agency is done through letters.

Great care should be taken in writing agency letters. A person or a firm while applying for agency should bear the following things in mind :

(i) He should prove his ability to undertake such a work.

(ii) He should have a long experience in the line ; should be well acquainted with the local market conditions and possess wide connections.

(iii) He should have a nice organization for advertisement and marketing the goods and able to furnish good references.

(iv) He should also see that the terms and conditions, on which the agency work is to be

## Test Questions

1. What are dunning letters ? Write them in series in the light of commercial usages to Messrs. Hazari Lal & Sons, 40, Chowk, Jhansi.
2. Write a reminder to your customer to whom your firm supplies goods on credit, and who has not paid the money as yet.
3. Write the reply of the dunning letters, requesting your creditor to realize the sagging trend of the market.

We are sure to be of much service to you in case you be good enough to enlist our services as such.

Thanking you in anticipation for favour of an early reply,

We are, Dear Sirs,  
Yours faithfully,  
Narendra Nigam & Bros.

Reply to the above

40, Calcutta Road,  
Calcutta.

27th. Dec., 1952.

Messrs. Narendra Nigam & Bros.,  
39, Kannauj Road,  
Kannauj.

Dear Sirs,

We thank you for your letter dated 20th. Dec., 1952 and have been very much impressed by its contents. We are prepared to give out our agency to you provided you undertake to give us business of at least Rs. 50,000/- yearly. We are prepared to allow you 15 per cent commission on gross sales. You have to send us quarterly reports and make payment by means of bank drafts.

We believe that this arrangement will prove profitable to both of us. We are enclosing a copy of the agency agreement form for your information.

carried on, should be settled beforehand. This will avoid disputes and misunderstandings.

On the other hand, one who gives agency should also be able to convince the agent that his goods are of good quality, they shall find a ready market and the terms and conditions will be of mutual benefit

*Offering services as an Agent*

39, Kannauj Road,  
Kannauj.

Dated, 20th. Dec., 1952.

Messrs. S. C. Andi & Co.,  
40, Calcutta Road,  
Calcutta.

Dear Sirs,

. It would give you special pleasure to know that we have recently set up a very efficient staff of agents whose main objective in view is to extend a helping hand to all such firms as require their services in the interests of the expansion of trade in India, as well as in foreign countries.

We have had our friendly dealings with a large number of agents in foreign lands and that all these agents have very often referred to your worthy firm in course of their various letters to our address. As regards financial position and integrity, please refer to Messrs. Har Prasad & Sons, 40, Chowk, Lucknow.

If the terms are acceptable, please fill in the form and reply at the earliest.

Yours faithfully,  
For S.C. Andi & Co.,  
J.S. Misra,

Letter of complaint to the agent about decrease in turnover and his negligence in sending regular reports  
74, Rambagh,  
Kanpur.

Oct. 10, 1954.

Messrs. Prem Narain & Co.,  
40, Chowk, Allahabad.

Dear Sirs,

We are enclosing a cheque for Rs. 300/- in settlement of the commission due to you on the business done during the last three months, but we are sorry to note that this amount is much less than what we have remitted to you during past quarters. We hope that in future our cheques will be of much large sums. But, by the way, we would like to know if you are facing any difficulty in marketing our goods. It is very difficult for us to know under what conditions you have to work unless, as arranged at the time of appointment, we receive regular reports from you. Such reports are helpful to us as well to you because it is only after going through such reports that we organize our advertisement. We earnestly hope that we shall have full co-operation from you in future.

## Correspondence with Commercial Travellers

Some manufacturers and firms appoint agents to tour various cities and States and secure orders for them. Contact has also to be maintained with them while they are carrying on the work. This is also done through correspondence.

The man desirous has to apply and the employer gives him an appointment letter. Here the process is the same as indicated in the chapter on applications. But the method of his submitting reports is different. Explained below is the procedure.

### Commercial Travellers' Report

Commercial travellers or agents have to send periodical reports to the Head Office of the firm they represent. These reports are brief but convey the complete information. They cover the following points.

- (i) Places visited.
- (ii) Orders secured.
- (iii) Collections.
- (iv) Arrears.
- (v) Complaints about goods.
- (vi) Information about prospective customers.
- (vii) General remarks about business conditions in the places visited.

Sometimes the report forms a part of a letter itself but generally it is sent separately with a forwarding or covering letter. Specimen is given below :

our goods. We can, however, still do good business if better advertisement is made and the trade discount increased to 15 per cent.

Assuring you of our best cooperation.

We are,  
Yours faithfully,  
For Prem Narain & Co.,  
Prem Narain.

**Letter appointing a firm as a Sole Agent**

80, Chowk,  
Kanpur,  
Oct. 4, 1954.

Messrs. Chhail Behari & Sons,  
30, Manik Chowk,  
Fatehpur.

Dear Sirs,

In view of the recent decision arrived at by our partners we are glad to appoint you as our sole agent for the sale of our goods in the city of Fatehpur. As regards the terms we are enclosing herewith a copy of the agreement form which is duly to be filled in by you.

In case you choose to work as our sole agent on the terms embodied in the agreement, please proceed at once to Kanpur to take over the charge of our Agency and also send one copy of the Agreement form duly signed by you.

Hoping to hear favourably from you by the return post,

We are,  
Yours faithfully,  
Laxmi & Sons.



## Specimen Report

(i) *Places visited.*

Kindly refer to my previous report dated 7th. December, 1956 sent from Gorakhpur. I have visited Basti, Azamgarh, Sultanpur and am now at Varanasi. In each town I stayed for two days.

(ii) *Orders secured.*

Seven orders amounting to Rs. 4,273/13/- have been secured. They are being enclosed in duplicate.

(iii) *Amount realized.*

Rs. 3,000/- were realised from the following firms :—

(a) Messrs. Subhag Chand Rikbab Das, Basti	Rs. 750/-
(b) Khalsa Stores, Azamgarh	Rs. 100/-
(c) Khan & Co., Sultanpur	Rs. 550/-
(d) Sharma Medical Stores, Pratapgarh	Rs. 1,600/-

(iv) *Firms in arrears.*

As per your instructions I paid visit to the following firms for an early settlement of accounts :

(a) *Basti Aushadhi Bhandar, Basti—*

They have promised to settle the accounts in full by the end of next month.

(b) *Azamgarh Medical Stores, Azamgarh—*

They are not good businessmen. They do not enjoy a good reputation in the market and have given no definite reply about the settlement of accounts. They are avoiding the settlement of

## Letter

Varanasi,  
18th. December, 1956.

From  
Ram Lakhan Sharma,  
Commercial Traveller.

To  
Messrs. G. Praxen & Co. (Private) Ltd.,  
Lucknow.

Dear Sirs,

I am in receipt of your letter of 14th. instant, confirming my weekly report sent from Allahabad. In the meantime I have covered Basti, Azamgarh, Sultanpur and Pratapgarh and have secured in all seven orders amounting to Rs. 4,273/13/-. They are enclosed in duplicate along with the weekly report. I have also succeeded in collecting Rs. 3,000/- from various customers, details about which are given in the report. There are many other things in the report which require your immediate attention.

Yours faithfully,  
Ram Lakhan Sharma,  
Commercial Traveller.

between a bank and its customers is bound to be of varied nature. *But it has the distinctive feature of being very brief and precise.*

Letter from a customer to a bank may contain one or more of the following requests :—

(i) To open accounts, (ii) To grant loans or overdrafts, (iii) Status enquiries. (iv) Enquiries about rates of interests, (v) Instructions about honouring bills, making or stopping payments etc.

Customers should be very brief in drafting such letters.

Letters from a bank are generally replies to the enquiries or requests from the customers. Sometimes bank also writes a letter to the customer if it has to tell something to him.

Banks while writing letters to the customers should not be technical. They should use the language which may be easily followed by businessmen or ordinary people.

Banks generally have printed forms containing the informations that are required by the customers. In case of routine matters they use these forms and cross out what is not required. But in case of particular cases *separate letters* have to be written. *Some models are overleaf*

accounts and legal action may have to be taken to enforce payment.

*(v) Complaints about goods.*

No body complained about the quality of our preparations but Seva Medical Stores at Pratapgarh did point out that the seal put on 'Ephesol' was not foolproof. The bottle could be refilled. He suggested a better and stronger seal.

*(vi) Prospective Customers*

Sadhna Druggists at Basti and Rama Medical Stores at Sultanpur are our prospective customers. I have canvassed them and they have promised to place orders next month. They are sound parties and have good business.

*(vii) General Remarks.*

There is great demand for 'Minadex' and 'Utrinol' in this area but there is likelihood of a keen competition. Now preparations of like nature have also entered the market and their manufacturers are offering higher commission rates. It shall be helpful to our business if more commission is given to our customers as they are the principal dealers in these towns. Solomon Co. (Private) Ltd., Kanpur have also opened an agency at Azamgarh and they are trying hard to oust us.

*(b) Bank Letters.*

Banks play a very vital role in the varied business life of to-day and so the correspondence

season. In order to secure favourable terms we wish to place order during April and May and for this we should require adequate funds in these two months to meet our obligations. We shall, therefore, feel highly obliged if you can permit us to overdraw our account to extent of Rs. 15,000/- during this period. We hope to wipe off this debit balance, along with the interest if any by the second week of July.

In case you agree, we are prepared to deposit by way of security 200 Treasury Bonds 1960-70 bearing 3½% interest, the present market value of which would be sufficient to cover the overdraft.

We hope to receive your immediate and favourable reply.

Yours faithfully,  
For Jain Prakashan Mandir,  
P. Jain  
*Proprietor.*

**Reply from the Bank**

15, Tajganj,  
Agra.

22nd. April, 1956.

Messrs. Jain Prakashan Mandir,  
24, Raja Mandi,  
Agra.

Dear Sirs,

**Re : Overdraft of Rs 15,000/-**

We are in receipt of your letter of 22nd. instant in

Letter from a customer to open a Current Account  
24, Chowk Bazar,  
Allahabad.

15th June, 1957.

The United Bank of India (P.) Ltd.,  
Allahabad.

Dear Sirs,

I wish to open a current account with your bank and am sending my clerk Sri A. B. Misra with Rs. 10,000/- as my first deposit. I would feel highly obliged if you will open an account in my name and send a cheque book, a pay-in book and pass book to enable me to operate on the account.

My signatures are enclosed herewith in duplicate for necessary record.

Yours faithfully,

S. N. Ghosh.

For Ghosh & Sons.

Encl. 1

**Letter re: Overdraft facilities**

24, Raja Mandi,  
Agra.

April 20, 1956.

The Central Bank of India Ltd ,  
Agra.

Dear Sirs,

With the approach of July we wish to purchase paper for printing the books to be sold during the

season. In order to secure favourable terms we wish to place order during April and May and for this we should require adequate funds in these two months to meet our obligations. We shall, therefore, feel highly obliged if you can permit us to overdraw our account to extent of Rs. 15,000/- during this period. We hope to wipe off this debit balance, along with the interest if any by the second week of July.

In case you agree, we are prepared to deposit by way of security 200 Treasury Bonds 1960-70 bearing 3½% interest, the present market value of which would be sufficient to cover the overdraft.

We hope to receive your immediate and favourable reply.

Yours faithfully,  
For Jain Prakashan Mandir,  
P. Jain  
Proprietor.

**Reply from the Bank**

15, Tajganj,  
Agra.

22nd. April, 1956.

Messrs. Jain Prakashan Mandir,  
24, Raja Mandi,  
Agra.

Dear Sirs,

**Re : Overdraft of Rs. 15,000/-**

We are in receipt of your letter of 22nd. instant in

Letter from a customer to open a Current Account  
24, Chowk Bazar,  
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S. N. Ghosh.  
For Ghosh & Sons.

Encl. 1

Letter re: Overdraft facilities

24, Raja Mandi,  
Agra.

April 20, 1956.

The Central Bank of India Ltd,  
Agra.

Dear Sirs,

With the approach of July we wish to purchase paper for printing the books to be sold during the



your current account stands overdrawn to the extent of Rs. 435/-.

This is probably due to oversight on your part, but to us it involves breach of a banking principle—overdrafts should always be arranged beforehand. Under the circumstances we would request you to arrange beforehand in case it is desired to draw a cheque, against your account, in excess of the amount standing to your credit.

We shall be obliged if you will arrange to pay at an early date the sum of Rs. 435/- standing to the debit of your account.

Yours faithfully,  
S.V. Singh  
Agent.

Letter to Bank for collection of the bill

30, Manik Chowk,  
Fatehpur.  
Feb. 14, 1956.

The Agent,  
State Bank of India Ltd.,  
Allahabad.

Dear Sir,

Please acknowledge one Railway receipt No. 123456 and an Invoice No. 654321 of a consignment despatched to Allahabad per parcel train. We shall be highly obliged if you kindly hand over the documents to Messrs. Ram Prasad & Sons, 30,

connection with the above and beg to inform you that it is invariably the practice of bank not to allow overdraft in excess of the 90% of the market value of Government Securities offered by you. Under the circumstances we can allow you to overdraw your account upto Rs. 12,000/- only against the securities mentioned. However, this amount can be raised to Rs. 15,000/- if you deposit similar class of securities to the extent of Rs. 5,000/- only.

We trust, our offer will be satisfactory to you.

Yours faithfully,

Hari Kant

Agent:

Central Bank of India Ltd.,  
Agra.

**Information from Bank—the customer has overdrawn  
Central Bank of India Ltd.**

27, Aminabad,  
Lucknow.

24th. Aug., 1957.

Messrs. Ram Bharosey & Bros.,  
21, Aminabad Park,  
Lucknow.

Dear Sirs,

We beg to inform you that after payment of your cheque No. CB 3427 dated 20th. August, 1957 for Rs. 1,460/- in favour of M/s. Ram Dass & Sons,

Letter to a banker regarding dishonour of a cheque

50, Raja Mandi,

Agra.

May 28, 1957.

The Agent,

State Bank of India Ltd.,

Agra.

Dear Sir,

With reference to our cheque No. PS 75697, dated 27th. May, 1957, we wish to write to you that we are at a loss to understand as to why the aforesaid cheque has been dishonoured by you specially when we have already sent a cheque amounting to Rs. 1,000/- for collection prior to sending this cheque.

Now you would be kind enough to make the necessary adjustments in the light of the information supplied to you.

Awaiting your reply,

We are,

*Yours faithfully,*

For Sita Pustak Bhandar (P.) Ltd.,

Raj Narain

*Manager.*

Chowk, Allahabad, after realising Rs. 4,000/- being the amount of the invoice in addition to your charges and remit the proceeds to us through a crossed cheque.

Encls. (1) R.R.  
(2) Invoice.

Yours faithfully,  
Surendra Pal & Sons.

Copy to :

Messrs. Ram Prasad & Sons,  
30, Chowk,  
Allahabad.

Please arrange to collect the documents on payment of Rs. 4,000/- and acknowledge the receipt of the consignment sent with reference to your order No. 447 P.Q., dated Jan. 2, 1936.

Letter to Bank for encashment of the bill

37, Hospital Road,  
Agra.  
June 15, 1937.

The Agent,  
State Bank of India Ltd.,  
Agra.

Dear Sir,

Herewith I am sending a bill for Rs. 500/- and 90 Naye Paise (Rs. Five hundred and Ninety Naye Paise) for encashment. Kindly pay its amount to the bearer, Ram Sewak, whose signature is duly attested by me and oblige.

Ram Sewak  
Attested  
Ram Narain

Yours faithfully,  
For Ram Pal & Sons,  
Ram Narain  
Partner.

Letter to a hanker regarding dishonour of a cheque  
 50, Raja Mandi,  
 Agra.  
 May 28, 1957.

The Agent,  
 State Bank of India Ltd.,  
 Agra.

Dear Sir,

With reference to our cheque No. PS. 75697, dated 27th. May, 1957, we wish to write to you that we are at a loss to understand as to why the aforesaid cheque has been dishonoured by you specially when we have already sent a cheque amounting to Rs. 1,000/- for collection prior to sending this cheque.

Now you would be kind enough to make the necessary adjustments in the light of the information supplied to you.

Awaiting your reply,

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 Raj Narain  
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Ram Sewak

Attested . . .

Ram Narain . . .

Yours faithfully,

For Ram Pal & Sons,

Ram Narain

Partner.

Instructions to bank to pay the premium on Life Policy  
**RAJARAM SITARAM**

*Cloth Merchants*

16, Tagore Town,  
 Allahabad.

2nd. January, 1954.

Ref. No. 2146/43.

The Agent,  
 Central Bank of India Ltd.,  
 Allahabad.

Dear Sir,

Will you kindly pay to Oriental Life Insurance Company, Civil Lines, Allahabad, Rs. 138/7/- (Rs. One hundred thirty eight and annas seven) only on or before 7th. of every month ?

This amount is to be paid as premium on our Joint Life Policy No. 4287 and to be debited to our Account.

Yours faithfully,  
 For Raja Ram Sita Ram,  
 Sita Ram  
*Partner.*

Reply from the bank  
STATE BANK OF INDIA LTD.

16, Taj Road,  
Agra,  
1st. June, 1957.

Messrs. Sita Pustak Bhindar (P.) Ltd.,  
30, Raja Mandi,  
Agra.

Dear Sirs,

*R. : Cheque No. PS/75697 for Rs. 500/-.*

With reference to your letter dated 28th. May 1957 in connection with the above, I regret to inform you that we had to dishonour your cheque drawn in favour of Smt. Kanta Saxena for lack of sufficient funds to your credit.

The cheque RS 4896 for Rs. 1,000/- which you sent to us for collection on 16th April was post-dated and so credit could not be given to the firm till 24th. May, 1957 which was later on declared to be a bank holiday. On the morning of 25th. when the cheque referred above was presented there were no sufficient funds to your credit, hence we had to dishonour your cheque, although most reluctantly. But now the matter stands settled.

We trust this explanation will satisfy you.

Yours faithfully,  
Ram Singh Gablot  
Agent.



Enquiry re : Fire Insurance  
BALI LAL GOPAL DASS  
*Carpet Manufacturers*

24, Civil Lines,  
Agra.  
June 8, 1954.

The Agent,  
New India Assurance Co. Ltd.,  
Agra Branch.

Dear Sir,

We are desirous of getting our godown, situated at 25, Civil Lines, Agra, insured against fire for a sum of Rs. 40,000/- from July 1, 1954 to December 31, 1954, i.e., for a period of six months. The godown is built of pucca bricks and cement and the gates and windows are made of steel. All the buildings in the neighbourhood too are made of this very material and no explosive material is stored in any of them.

Kindly let us know the premiums to be charged, keeping in view that we usually stock goods worth Rs. fifty to sixty thousands in our godown. We would be ready to supply all relevant information and allow the examination of the building also if you depute any representative.

Yours faithfully,  
Bali Lal Gopal Dass.

**Instructions to bank to stop payment**

4, Meston Road,  
Kanpur.  
4th. June, 1957.

The Agent,  
Allahabad Bank Ltd.,  
Kanpur.

Dear Sir,

Kindly stop payment of our cheque No. PB/14628, dated 3rd. June, 1957 for Rs.4,000/- in favour of Sri Mata Badal Pansari of Lucknow, as the same has been misplaced by him.

Yours faithfully,  
Radhey Lal Agarwal & Sons.

*(c) Letters regarding Insurance.*

Insurance is of great importance, not only in regard to life but also business. The premium that we pay to the Company covers the risk and helps us to make provision for a bad day. Given below are some model-letters written to Insurance Companies.

## Claim under a Fire Insurance Policy

24, Civil Lines,

Agra.

15th. November, 1954.

The Agent,  
New India Assurance Co. Ltd.,  
Agra.

Dear Sir,

We are sorry to inform you that our shop, which was insured for Rs. 40,000/- under Fire Policy No. 4379, suddenly caught fire at 4 a m. today reducing to ashes the entire goods therein. We had nearly Rs. 30,000/- worth of carpets and 5,000/- worth of other material in the shop, before the fire took place.

We, therefore, put forth before you a claim for the above for an early settlement. You may send your representative to inspect the damaged goods on or before 25th November 1954.

Yours faithfully,  
Bali Lal Gopal Dass.

(d) *Follow up letters.*

All these ones are very much persuasive in language. The idea behind this policy is to gain as many new customers as you can. The language of such a letter should be polite enough and attractive in all round sense. Drafting should be such that not more than three letters may be

## Reply to above

50, Civil Lines,  
Agra.

June 10, 1934.

Messrs. Bali Lal Gopal Dass,  
24, Civil Lines,  
Agra.

Dear Sirs,

We beg to acknowledge the receipt of your letter of the 8th inst. and thank you for the same.

The premiums, as you will see from the prospectus enclosed, are lower than that of other sister companies.

Our representative will call upon you in a day or so and would try to put the matter forward without delay.

Yours faithfully,  
Jai Prakash Singh  
Agent:

New India Assurance Co. Ltd.  
Agra Branch.

“price” as well. Its general make-up is simple enough, as recommended by our worthy Mahatma Gandhi also.

Yours faithfully,  
Dulichand & Co.

**Second Letter**

34, Aligarh Road,  
Aligarh.

Dated, 30th. Dec., 1952.

Messrs. Vishnu Kumar & Sons,  
38, Chowk,  
Allahabad.

Dear Sirs,

We hope that our first letter, dated 20th. Dec. 1952, regarding the general utility of the new type of the ‘Charkha’, must have reached you by this time. Much need not be said about all this, as it has been the most beautiful thing in respect of all its good looks and cheapness in general. It certainly comes up to the mark in many respects. It aims at infusing a fresh light all into the old old order of things, as have been in force so far. In short it is modern in taste and get-up in general.

Yours faithfully,  
Dulichand & Co.

necessary to enlist the new customer. Do not put up a begging attitude but instead handle the whole affair as if you were a good businessman indeed. Such letters are written in series. If the first letter fails to have its effect, second one is written, and if the second one also fails, the third one is written and so on. These letters should be carefully drafted. The writer should neither express disappointment over the attitude of the customer nor should he criticise him. On the other hand the customer should be made to feel that he will be much benefited if he makes purchases. Examples given below will make the point clear.

**First letter of the series**

34, Aligarh Road, Aligarh.

Dated 20th. Dec., 1952.

Messrs. Vishnu Kumar & Sons,  
38, Chowk, Allahabad.

Dear Sirs,

It goes without saying that our firm, as usual, has been good enough to invent a new type of the handloom—a fact as duly recognised by our present government too. The said handloom has been gaining ground all round these days. The government have also been pleased to favour us very recently with a good many orders for the same. It saves time and does not require a large number of hands to work on it. It is cheap in respect of

ed. Such a letter contains the name, designation and object of visit of the person recommended with a request to render all possible help to him in achievement of his object. The letter usually concludes with the remark that the assistance rendered to the party concerned shall be a personal favour to the recommending party which the writer shall always be prepared to reciprocate.

Such letters put a very heavy responsibility on the writer and so he should be very cautious while writing such letters and should convey only such information which is true to his personal knowledge.

#### **Introducing a business friend**

11/354, Gwaltoli,  
Kanpur.

Jan. 4, 1957.

Messrs. Chauhan & Brothers,  
37, Nai Barana,  
Allahabad.

Dear Sirs,

We have great pleasure in introducing to you the bearer of this letter, Shree Ram Narain Johri, a partner in the firm of Vishva Nath & Bros. with whom we have good business relations.

Shree Johri is visiting important places of your town to popularise his famous fountain-pens. We should be glad if you can render him all possible assistance by giving him the names of reputed

**Third Letter**

34, Aligarh Road,  
Aligarh.

Dated, 13th. Jan., 1953.

Messrs. Vishnu Kumar & Sons,  
38, Chowk,  
Allahabad .

Dear Sirs,

We certainly deem it a matter of great pride to introduce our new worthy agent, Sri Rajendra Kishore, B. Com., to you all gentlemen. He would be soon visiting your good firm along with the specimen of our new invention—namely, the modern 'Charkha'. He would, in person, be pleased enough to explain to you in so many ways its general usefulness in all respects. We also believe that it must have appealed to you, as recommended by us in your own interest. As such it would not be out of place to ask for orders from you as a work of general utility to both the sides. The favour of an early order is solicited.

Yours faithfully,  
Dulichand & Co.

*(c) Letters of Introduction & Credit.*

A letter of introduction or recommendation is given to a person or a firm to secure some job or business. It is either posted or given to the person recommended, to be presented to the party concern-



men, money and all the necessary Theatrical materials it may, nevertheless, in foreign lands, stand in need of certain informations to be supplied to it, at your well informed hands.

We strongly hope you would very kindly extend all such help to our company. In case of any actor or actress falling ill you would please see to it as well.

We also hope you would all watch such of our performances as may appeal to you most. Please help them with money to the extent of Rs. 30,000/-.

We shall be glad if you kindly assist them with your advice and informations as needed.

Yours sincerely,  
For The Orintal Theatres,  
Dina Nath  
Manager.

**Circular Letter of Credit**

17, Rām Bagh,  
Kanpur.

Jan '1, 1957.

Circular letter No. NH 4375.

Gentlemen,

This is to introduce to you the bearer of this letter, Sri Prem Narain Srivastava, who starts to-day on a tour of London to secure new business connections for our firm. We shall be grateful if you kindly render all possible assistance by giving him

firms and your valuable advice on various business matters.

Any help rendered to Sri Johri will be a personal favour to us, which we shall always be ready to reciprocate.

Yours faithfully,  
Mullo & Co.

*When a letter of recommendation contains a request to pay a certain amount of money to the bearer or person recommended, it becomes a letter of credit. It is of two types :-*

(i) *Simple letter of credit* is that which is addressed to one firm or person only.

(ii) *Circular letter for credit* is that which is addressed to more than one person or firm.

Simple Letter of Credit  
40, Civil Lines,  
Lucknow.

Dated, 25th. Nov., 1952.

Messrs. Robert & Bros.,  
13, Elgin Street,  
Paris (France).

Dear Sirs,

We are glad to inform you that our Oriental Theatrical Co., which enjoys a good reputation for its very excellent performances in all round sense, have decided on undertaking a voyage for France, and is expected to set sail for your happy country at a very early date. Though well equipped with

credit, as usual, shall be sent to the parties concerned. Preferably a copy of the letters, along with the note that such a credit letter has been issued, is sent in advance.

(ii) The following columns should be drawn at the back of the letter of credit and the creditor should be requested, or rather insisted upon, to fill them in without fail.

Date of payment	Name and address of the creditor	Amount		Amount due	Signature of the payee
		In words	In figures		

*(f) Income Tax Correspondence.*

Income Tax is a big headache for businessmen. Sometimes they are assessed for an amount higher and heavier than they ought to be and have to appeal against such an order and sometimes they have to claim refunds. Here is a model :—

the names of reputed firms and your valuable advice on various business matters.

In case Sri Srivastava requires money, we authorise you to place at his disposal any sum equivalent to £ 20,000. You may cover your self for any money paid to him, plus your expenses, by a sight draft on us.

Please take note of the signatures of Sri Srivastava, affixed below, and endorse on the back of this letter any amount that you may pay him. This letter will remain in force upto March 25, 1937 from today.

Yours sincerely,  
For Mullo & Bros.,  
Gur Prasad Sinha  
*Manager.*

*Specimen signature of*  
Sri Srivastava

P. N. Srivastava

Attested by

Gur Prasad Sinha.

To

(1) Messrs. Rolert & Bros,  
13, Elgin Street,  
London.

(2) Messrs. Hamilton & Co.,  
17, London Street,  
London.

Note—(i) Information about such a letter of

*(g) Letters regarding Advertisement.*

**A Circular letter from the Advertisement Manager  
of a newspaper to various institutions for  
securing advertisements**

**PIONEER (Private) LTD.**

Pioneer Building,  
Lucknow,  
15th. June, 1957.

Dear Sirs,

New session for educational institutions and other bodies is soon to start and it is quite possible you may have some vacant posts to advertise.

In this connection, I am proud to say that "Pioneer" has been rendering very useful service to the advertisers for the last seventy-five years. It is one of the oldest papers of India with largest circulation in Uttar Pradesh. If you, therefore, want to have right type of men on your staff, you would do well to advertise in "Pioneer." A list of advertising agencies without "Pioneer" is incomplete.

Our rates, which are lower than others, are given below.

1' to 49'	Rs. 6/-
	Per single column inch
50' or above	Rs. 4/-
	Per single column inch
to be used within 2 months.	

Yours faithfully,

R. K. Seth

*Advertisement Manager.*

24, Bafanala,  
Varanasi  
14th. April, 1954.

The Income Tax Officer,  
Varanasi.

Sir,

We are in receipt of your order dated 10th April, 1954 and have learnt that you have assessed us on a total income of Rs. 20,000/-, while on the basis of the returns submitted by us, we ought to have been assessed for Rs. 12,000,-.

When your inspector came to our firm last time, we presented before him the relevant documents and account books and pleaded about the accuracy of our returns. However, he pointed out to us that the provision of Rs. 4,500/- in respect of depreciation on assets and Rs. 2,000/- in respect of stock was rather to much.

As you know, the cost of replacement of machines, furnitures and other assets is very high these days. Besides, uncertain market conditions and worldwide slump have caused a huge trade depression and we have been forced to cover ourselves against these losses by adequate reserves.

In view of the above explanation we would request you to kindly revise your assessment order and remove our just grievance.

We are,  
Yours faithfully,  
For Lok Seva Prakashan,  
B. N. Bedi  
Proprietor

### Summary

*Following are some of the important miscellaneous business letters :—*

(a) *Agency Letters.* Businessmen in order to enhance the sale of their goods appoint agents and commercial travellers. Correspondence is carried on with such parties and persons in order to settle terms and conditions and keep touch with the progress. Such letters are to be written very clearly and carefully as they are meant to increase business.

(b) *Bank Letters.* From time to time letters are written to and from the bank in connection with encashment of bills, drafts, dishonour of cheques etc. Such letters are very brief and to the point.

(c) *Insurance Letters.* Such letters are written to Insurance Companies in connection with insurance against risk of fire, marine and claims thereon. They should be very clear and matter of fact.

(d) *Follow on Letters.* Such letters are written for creating new market for goods. They are written in series and should be very persuasive in language.

(e) *Letters of Introduction and Credit.* Such letters are written to persons or firms to secure facility in business and credit. Such letters entail a very heavy responsibility on the writer and should contain only such information which the writer is personally in know of. Such letters more or less seek a personal favour and should contain specific requests in a very polite language with assurance to reciprocate the same.

Letter Sending advertisement for insertion in the paper  
 40, Hospital Road,  
 Agra.  
 25th. June, 1957.

The Advertisement Manager,  
 "Pioneer",  
 Lucknow.  
 Dear Sir,

In response to your Circular letter of 15th. instant, herewith accompanying please find an advertisement to be published in the issues of your daily of 28th., 29th. and 30th June, 1957 under Situations Vacant column. The advertisement may kindly be typeset solid in 12 point type and displayed prominently in two column inch.

The bill along with the relevant cuttings of the paper may please be sent to the undersigned for payment.

Yours faithfully,  
 For Gaya Prasad & Sons,  
 J. P. Agarwal  
*Partnér.*

Encl —Advertisement.

#### Advertisement

Wanted touring *representatives* to canvass for our publications in *various districts*. Salary Rs. 75/- per mensem plus actual second class T.A. and Rs. 5/- daily allowance. Future prospects for those giving good business. Apply sharp.



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and Gonda that you visited as their Commercial Traveller.

6. Write a letter to your banker for encashment of the bill.
7. You are the manager of a business firm in Kanpur. A cheque drawn by your firm for Rs. 2,000/- is dishonoured by the firms' banker with the remark R/D. Making allowance for a cheque for Rs. 1,000/- drawn in favour of your firm and sent to your firms' banker for collection, there ought to have been enough funds to meet the cheque for Rs. 2,000/- drawn by your firm. Write a letter to the banker enquiring why the cheque for Rs. 2,000/- was dishonoured in view of the above facts. Give details from your side. *(U.P. Board, 1957)*
8. Write a letter to your hanker for collection of the bill.
9. Write a letter to your bank requesting to pay your monthly subscription to Bharti Bhasha Parishad, Agra and Dayanand Anathasharam, Lucknow by the 6th. of every month and debit the amount to your account.
10. Instruct your bank to stop payment of your cheque, drawn in favour of Smt. Cbandra Kanta Saxena.

(f) *Income Tax Letters.* Letters are also written to income tax authorities. They should be polite and matter of fact but the requests contained therein should be well substantiated. |

(g) *Advertisement Letters.* They are written to and from the newspapers and should be perfectly clear.

### Test Questions

1. Ram Shankar Ram Asray of Alambagh, Lucknow read an advertisement of Aligarh Lock Works, Aligarh and are prepared to act as their agents. Draft a letter showing this willingness.
2. Draft a reply to the above from Messrs. Aligarh Lock Works, giving out their terms and conditions of agency. Request them to send their confirmation early so that final agreement form could be sent for signatures.
3. Write a letter to Messrs Raja Ram & Sons, Booksellers & Publishers, Kanpur in reply to their advertisement for touring representatives.
4. Draft an appointment letter in reply to the above.
5. Draft a report in regard to the work that you have done for Messrs. Raja Ram & Sons, Kanpur in the districts of Bahraich

## PRECIS-WRITING

*Precis* (*Precis*) is a French word meaning the same as the English word *Precise*. In original Latin, from which *this word* (PRECISE) has been derived, it meant *to cut short*. Thus, *Precis* is a *gist or summary of a given piece, in the fewest possible words, without sacrificing the sense and the central idea of the passage*. *Precis* is always a precise statement of the main facts contained in a piece, in a clear-cut, well-arranged and continuous form as to fulfil the object in the best possible manner.

*All the important points in a passage must be included in the Precis. At the same time these points must be expressed clearly and chained in a continuous narration in the author's own words in such a way that the full sense of the passage is perfectly clear without any reference to the original piece or part thereof.*

### Uses of *Precis*

Ours is the Atomic Era where life has become very busy and complicated. In other words, struggle for existence has grown very acute and in order to survive and live successfully every moment has to be saved and properly utilized. Same is true about every sort of energy, human or otherwise. Resources not only have to be properly harnessed but also exploited in the most valuable manner. For all

11. Write a letter to Hindustan Cooperative Insurance Society, Lucknow to quote their premium for insurance of your godown against fire.
  12. Your insured godown catches fire. Claim the loss from the insurance company.
  13. Write a series of follow-on letters to Messrs. Vinod Stores, Kanpur in regard to your newly manufactured cycles.
  14. Write a letter to a firm in New York introducing a business friend.
  15. Draft a letter of credit in favour of manager of your concern who is going to Bihar to secure business for you.
  16. Write a letter to the Income Tax Commissioner, U.P. appealing against the excessive assessment of your firm by Income Tax Officer, Kanpur.
  17. Write a letter from the Business Manager of the *Leader*, Allahabad, to the Principals of U.P. Colleges, requesting advertisement of vacant posts.
  18. The Chaudra Shoe Co., Kanpur sends an advertisement regarding their wares for a weekly insertion in the *Leader* for a period of 3 months. On receipt of a copy and bill of charges for insertion, the Shoe Company will send a cheque for the amount. Draft a suitable letter in proper form from the Shoe Company to the *Leader*, Allahabad.
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a topic and this naturally helps in clear, concise and forceful expression.

(d) *Helps to distinguish between essential and less important in short time.* Normally, we take a long time to go through the process of distinguishing between essential and comparatively less essential but with the help of precis we can go through this process in a very short time. Constant practice in precis-writing helps to understand the essential and minor points very easily and quickly.

#### **Essentials of a Good Precis**

Virtues of a good precis may be classified under two heads : (i) Specific and (ii) General.

##### **Specific Essentials :**

1. *A good precis should contain all the essential points of the original passage.* No doubt precis is the gist of a given piece but it should contain all its salient points so that full sense could be made out without any reference to the original piece or part thereof.

2. *It should be brief or concise.* Brevity or conciseness is the first and the greatest need of the precis. Its main function is to save time in this busy world. Brevity or conciseness requires that the original passage should be compressed in such a manner that all needful and relevant is retained while unimportant and that which can be easily done away with, is left out.

3. *It should be perfectly that which clear or lucid.* A precis in order to serve its purpose should be written

such things short-cuts, leading to maximum of success, are very badly in need. *Precis* is one of them.

(a) *It saves time.* For every responsible man, may be a business man or a Government Officer, 'precis' is of great advantage. Through this device he gets, in short, a clear picture of a lengthy but important correspondence or document. Thus he saves his valuable time which means money to him. Thus he can look to more than one important affairs within the period of time he would have ordinarily taken for one only. This is what the newspapers also do. They give *precis* of lengthy speeches and news items in the form of 'headings' for the convenience of such busy readers who do not find time to go through them in detail.

(b) *It is an aid to memory.* We cannot remember lengthy passages but certainly can we remember their gist containing essential points.

(i) It serves a man of law to grasp the salient points of the case of the client.

(ii) It serves a journalist, who keeps a good amount of material for publication, to distinguish between important and less important.

(iii) It serves a student, preparing for his examination, to memorize the important topics and chapters.

(c) *Helps to develop clear and forceful expression.* The more you grasp the topic nicely, the better you can express it. *Precis* helps us to select and grasp



## General Essentials:

1. **Heading.** A precis must have a pointed heading to tell what the precis has to say. In the absence of such heading a busy man will have to read a line or two or even more to learn what the piece is about. This would mean a sheer waste of time for a busy person ; hence all good precis must have a relevant heading.

2. **Narration.** A precis should be made generally in the indirect form of narration. The direct form of narration may be used only where it is unavoidable. As the precis-writer has only to reproduce a given piece, the reproduced matter should be in third person only. *A precis is usually made in the past tense.*

3. **Language.** It is only necessary to make a precis in a language having no mistakes of grammar, punctuation and spellings. The writer should use his own language and not pick up from the given piece a sentence here and a sentence there, making the precis all jointed and jerky. *No personal criticism and opinions are needed. Give only the precis of the given piece and nothing else.*

### How to Make a Precis

Good precis is a matter of practice. Many clerks who have read only up to High School write much better precis than graduates and even post-graduates. The obvious reason is practice. However, the following hints may guide a student in making precis.

in very clear words and there should not be any likelihood of vagueness or ambiguity of any sort. It should be so written as to enable the readers to understand the full sense, without any reference to the original document. If there be any vagueness or ambiguity in the original passage, it should be removed and the language be made as simple and lucid as possible. Lengthy and intricate sentences should be made short and intricacies of construction removed.

4. *All the sentences should be properly connected.* Coherence or continuity is very essential for a precis. All its ideas and sentences must be connected together by suitable connectives or in such manners that the whole precis should look like a composite whole. It should not look like a patch work of construction. If the precis is to be divided into paragraphs, they should be so joined that the continuity of the flow of the ideas should not break. Second paragraph must look like a natural consequence of the preceding one.

5. *It should be of a proportionate size.* A precis should be a precis and not an explanation or a parallel reproduction of the given piece. It should neither be too small so as to leave out main points nor should it be too big including unnecessary details, digressions and illustrations. *The average size should be about one-third of the size of the original piece*, but this condensed size must contain all that is of any importance to give the sense of the original piece.

8. From this rough draft prepare a precis. As far as possible *arrangement of thoughts in the original passage should be maintained*. But, if in the interest of brevity and clarity, rearrangement of thoughts is needed, it should be done.

9. *Language of the precis should, as far as possible, be your own and in the past tense.* This will give you facility to do away with unnecessary and ornamental material and give to the precis the required size.

10. *Sentences should be logically connected.* Joining together of the detached sentences of the original passage will never yield a good precis.

11. *Indirect form of narration is best for precis.* Therefore, substance of speeches, dialogues and conversations etc. should be reported in *Indirect Form of Narration*. While doing this, rules of change of narration should be kept in mind. This will help to avoid mistakes.

12. *Only third Person should be used.*

13. *Uses of connectives like "but", "and", "which", "though" etc. should be properly mastered.* This will help a lot.

14. While making a precis of an official correspondence, *opening and concluding portions of the letters are to be omitted.* Name of the official should not be written. Only designation, wherever given, should be used if need be.

15. Draft precis, when ready, should be compared with the original passage to see that all

1. *Read the original passage slowly and carefully. It should be read so long as the central idea of the passage is not perfectly clear. Do not be afraid of the length of the passage. Sometimes in a very lengthy passage there are a good deal of unimportant things and only a few points are of importance.*

2. *While reading not only try to concentrate on the main points but also on the meaning of the whole passage and even sentences and words. In this job, if the meaning of some words is not known, a good dictionary should be consulted.*

3. *When the sense of the passage is clear, central idea of each paragraph should be underlined.*

4. *These ideas should be noted on a separate paper and arranged properly.*

5. *When these ideas have been arranged, they should be developed into sentences and a rough draft of the precis prepared in full and complete form.*

6. *Do not be afraid if the size of the draft seems to be long. Go through it again and do away with all unimportant and ambiguous things. While conclusions and definite opinions are to be given, the arguments and reasons leading to these opinions and conclusions are to be omitted. Short and clear-cut sentences should be used and lengthy, decorative and loose ones are to be avoided.*

7. *The draft should be a balanced one. Do not overstress a point as to leave very little space for others. Each point should receive the importance it deserves.*

1. **Substitution :** *The process of putting a person, word or a thing for some other person, word or a thing but performing the same function is called substitution.* Here it means using lesser words for a larger number of words but conveying the same meaning or sense. Following are some of the ways in which substitution is done :

(a) *By using one word in place of many.*

If appropriate word is used at the proper place, this one word will express the ideas more clearly and in a better manner. This will help to achieve the required brevity in the subject matter of precis. Given below is a list of some such commonly used words.

Sentences or group of words	One word for the group of words
A person who is bent upon destroying all government and order.	<i>Anarchist.</i>
At the same time.	<i>Simultaneously.</i>
A child born after the death of his/her father.	<i>A posthumous child.</i>
A work published after the death of the author.	<i>A posthumous work.</i>
A document written by hand.	<i>A manuscript.</i>
A remedy for all diseases.	<i>Panacea.</i>
A speech delivered without preparation.	<i>Extempore.</i>
A speech delivered for the first time.	<i>A maiden speech.</i>

important points have been covered. Afterwards, it should be faired out into a finished form and revised once again to see that no mistakes of punctuations, spellings or construction have been left over.

16. No definite rule can be laid down about the size of the precis. It depends upon the passage. But generally *one-third of the original passage is considered desirable.*

17. Generally *title or heading of the precis is also required.* It should be given only when the precis has been thoroughly grasped, preferably in the end. It should be short and expressive of the subject dealt with in the passage. Mostly, while reading the passage you will come across some word or phrase which will provide you with a keynote to the passage and this you can use as a 'heading' or a 'title'.

#### **Art of Brevity**

It has already been said that the Latin root, wherefrom the word 'precis' has been derived, means 'to summarize' or 'to cut down.' Therefore, one who wants to acquire the art of 'precis-writing' must be able to say a thing in the fewest possible words or in other words he must know the art of brevity. No doubt this can be acquired only by constant practice but the two ways which help a lot in this regard are given below :

1. Substitution.
2. Elimination.

A government by noble men.	<i>Aristocracy.</i>
A government by officials.	<i>Bureaucracy.</i>
A government by the people through their representatives.	<i>Democracy.</i>
A government by a king.	<i>Monarchy.</i>
An absolute government by one man.	<i>Autocracy.</i>
An animal which cannot be tamed.	<i>Wild.</i>
A list of things.	<i>Catalogue.</i>
An unforeseen event.	<i>Casualty.</i>
A partner who is not active.	<i>Sleeping.</i>
A disease catching a large number.	<i>Epidemic.</i>
A general pardon granted to criminals.	<i>Amnesty.</i>
A large number.	<i>Majority.</i>
A smaller number.	<i>Minority.</i>
A thing producing opposite effect.	<i>Antidote.</i>
Animals having two feet.	<i>Biped.</i>
Animals having four feet.	<i>Quadruped.</i>
A point which decides a case one way or other.	<i>A turning point.</i>
A scheme which looks admirable but is incapable of accomplishment.	<i>Utopian.</i>
Animal which lives by eating flesh.	<i>Carnivorous.</i>
Animal which eats fish only.	<i>Piscivorous.</i>
Animal which eats insects.	<i>Insectivorous.</i>
A job for which no salary is paid.	<i>Honorary.</i>

A river on which ships can sail.	<i>Navigable.</i>
A style full of too many words.	<i>Verbose.</i>
A style in which the writer tries to display his/her knowledge.	<i>A pedantic style.</i>
Animals which live in flocks.	<i>Gregarious animals.</i>
Animals which live in water.	<i>Aquatic animals.</i>
Animals which are capable of living both on land and under water.	<i>Amphibious animals.</i>
A reception full of enthusiasm.	<i>A warm reception.</i>
A reception wanting in warmth of feeling.	<i>A cold reception.</i>
A game in which neither party gains victory.	<i>A drawn game.</i>
A battle in which there is too much of bloodshed.	<i>A sanguinary battle.</i>
A battle which puts an end to all controversy.	<i>A decisive battle.</i>
A property held free of rent.	<i>A free-hold.</i>
A 'sheet capable of keeping out water.	<i>A waterproof.</i>
A conclusion that has been arrived at before hand.	<i>A foregone conclusion.</i>
A custom which is found everywhere.	<i>An universal custom.</i>
A government by small body of men.	<i>Oligarchy.</i>



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A government by officials.	<i>Bureaucracy.</i>
A government by the people through their representatives.	<i>Democracy.</i>
A government by a king.	<i>Monarchy.</i>
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Animals having two feet.	<i>Biped.</i>
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A point which decides a case one way or other.	<i>A turning point.</i>
A scheme which looks admirable but is incapable of accomplishment.	<i>Utopian.</i>
Animal which lives by eating flesh.	<i>Carnivorous.</i>
Animal which eats fish only.	<i>Piscivorous.</i>
Animal which eats insects.	<i>Insectivorous.</i>
A job for which no salary is paid.	<i>Honorary.</i>

An office with a fat salary and no work.	<i>Sinecure.</i>
Animal which lives on herbs only.	<i>Herbivorous.</i>
Animal which lives on grass.	<i>Graminivorous.</i>
A man who does not believe in the existence of God.	<i>Atheist.</i>
A man who starves the body for the good of soul.	<i>Ascetic.</i>
A man who is not married.	<i>Bachelor.</i>
A man who is seventy years old.	<i>Septagenarian.</i>
A man who is eighty years old.	<i>Octogenarian.</i>
A man skilled in the use of swords.	<i>A swordsman.</i>
A child nursed or brought up by one who is not its parent.	<i>Foster child.</i>
A letter which is not claimed by any body.	<i>A dead letter.</i>
A language which has ceased to be spoken by people.	<i>A dead language.</i>
Beyond all hopes of improvement.	<i>Hopeless.</i>
Contrary to law.	<i>Illegal.</i>
Capable of being heard.	<i>Audible.</i>
„ „ „ seen.	<i>Visible.</i>
„ „ „ seen through.	<i>Transparent.</i>
„ „ „ touched.	<i>Palpable.</i>
„ „ „ read.	<i>Legible.</i>
„ „ „ reached.	<i>Accessible.</i>
„ „ „ tamed	<i>Docile or Domesticated.</i>

Capable of being elected or ap- pointed.	<i>Eligible.</i>
Capable of being dissolved.	<i>Soluble.</i>
" " " wounded.	<i>Vulnerable.</i>
" " " burnt.	<i>Combustible.</i>
" " " believed.	<i>Credible.</i>
" " " seen through dimly.	<i>Translucent.</i>
Incapable of being seen.	<i>Invisible.</i>
" " " heard.	<i>Inaudible.</i>
" " " read.	<i>Illegible.</i>
" " " effaced	or <i>Indelible.</i>
wiped out.	
Incapable of being believed.	<i>Incredible.</i>
" " " conquered, overcome or defeated.	
Incapable of being broken.	<i>Invincible.</i>
" " " conceived.	<i>Impregnable.</i>
" " " understood.	<i>Inconceivable.</i>
" " " perceived.	<i>Unintelligible.</i>
" " " practised.	<i>Imperceptible.</i>
" " " pleased.	<i>Impracticable.</i>
" " " overcome	<i>Fastidious.</i>
unmounted.	or <i>Insurmountable.</i>
Incapable of being defended	<i>Indefensible.</i>
" " " expressed.	<i>Inexpressible.</i>
" " " wounded.	<i>Invulnerable.</i>
" " " consumed by fire.	<i>Incombustible.</i>
Incapable of being reached.	<i>Inaccessible.</i>

Incapable of being solved.	<i>Insoluble.</i>
"    "    "    tired or exhausted.	<i>Indefatigable.</i>
Incapable of being divided.	<i>Indivisible.</i>
"    "    "    described.	<i>Indescribable.</i>
"    "    "    transferred.	<i>Inalienable.</i>
"    "    "    understood.	<i>Incomprehensible.</i>
"    "    "    corrected.	<i>Incorrigible.</i>
"    "    "    repaired.	<i>Irreparable.</i>
"    "    "    imitated.	<i>Inimitable.</i>
"    "    "    manage.	<i>Unmanageable.</i>
"    "    "    being seen through.	<i>Opaque.</i>
Incapable of being elected.	<i>Ineligible.</i>
"    "    "    moved by entreaty.	<i>Inerorable.</i>
Incapable of being avoided.	<i>Inevitable.</i>
Diseases that end in death.	<i>Fatal.</i>
Diseases caught by contact.	<i>Contagious.</i>
Diseases that spread through air.	<i>Infectious.</i>
Easily made angry.	<i>Irritable.</i>
Fit to be eaten.	<i>Edible, Eatable.</i>
Goods sent out of a country.	<i>Exports.</i>
Goods brought out into a country.	<i>Imports.</i>
Inordinately desirous of money.	<i>Avaricious.</i>
Liable to be called to account.	<i>Responsible,</i> <i>Answerable.</i>
Liable to be easily broken.	<i>Brittle.</i>
Liable to catch fire.	<i>Inflammable.</i>

Letter not bearing the name of the writer.	<i>Anonymous.</i>
Likely to do much injury.	<i>Pernicious, Injurious.</i>
Having no knowledge.	<i>Ignorant.</i>
Work done merely to get money.	<i>Mercenary.</i>
Murder (murderer) of one's father.	<i>Patricide.</i>
"      "      "      " mother.	<i>Matricide.</i>
"      "      "      " brother.	<i>Fratricide.</i>
"      "      "      " a man.	<i>Homicide.</i>
"      "      "      " oneself.	<i>Suicide.</i>
"      "      "      " an infant.	<i>Infanticide.</i>
"      "      "      " the king.	<i>Regicide.</i>
More like that of a woman than man.	<i>Effeminate.</i>
No longer in use.	<i>Obsolete.</i>
One who looks on the bright side of things.	<i>An optimist.</i>
One who looks on the dark side of things.	<i>Pessimist.</i>
One who is present everywhere.	<i>Omnipresent.</i>
One who is all-powerful.	<i>Omnipotent.</i>
One who knows everything.	<i>Omniscient.</i>
One who can neither read nor write.	<i>Illiterate.</i>
Objects which are gifted with life.	<i>Animate.</i>
Objects which are not gifted with life.	<i>Inanimate.</i>

One who speaks for others.	<i>Spokesman.</i>
One who lacks courage.	<i>A coward.</i>
One who is present on the scene of occurrence.	<i>An eye witness.</i>
One who pretends to be what he is not.	<i>A hypocrite.</i>
One who does not make a mistake	<i>Infallible.</i>
One who performs journey on foot	<i>Pedestrian.</i>
One who lives on another.	<i>Parasite.</i>
One who eats human flesh.	<i>Cannibal.</i>
One who eats everything indiscriminately.	<i>Omnivorous.</i>
One who lives on vegetable only.	<i>A vegetarian.</i>
One who learns an art for pleasure.	<i>Amateur.</i>
One who hates mankind.	<i>Misanthrope.</i>
One who travels from place to place	<i>Itinerant.</i>
One who worships idols.	<i>Idolator.</i>
One who looks upon the whole world as his own.	<i>Cosmopolitan.</i>
One who has given up his own religion.	<i>Apostate.</i>
One who has an evil reputation.	<i>Notorious.</i>
One who is skilled in the use of many languages	<i>Linguist.</i>
One who takes no trouble for his work.	<i>Easy going.</i>
One's life-history written by one-self.	<i>Autobiography.</i>
Pertaining to money.	<i>Monetary.</i>

One who resides in a country of which he is not a citizen.	<i>An alien.</i>
People living at the same time.	<i>Contemporaries.</i>
Persons who witness a thing.	<i>Spectators.</i>
People who hear some lecture.	<i>Audience.</i>
Service offered by a man of his own accord.	<i>Voluntary.</i>
That which is not natural.	<i>Artificial.</i>
That which happens once in three years.	<i>Triennial.</i>
That which happens once in two years.	<i>Binnial.</i>
That which happens once in five years.	<i>Qinquennial.</i>
The whole mass of air surrounding the earth.	<i>Atmosphere.</i>
To place anybody at a disadvantage.	<i>Handicap.</i>
Without any payment or price.	<i>Gratis.</i>
Incapable of paying his debt.	<i>Insolvent.</i>
A man having no money to pay his debts.	<i>Bankrupt.</i>
A loss that cannot be made good.	<i>Irreparable.</i>
The king driven from the throne.	<i>Exiled.</i>
Property on the security of which a loan is taken.	<i>Mortgage.</i>
Delventures which can not be paid back during the lifetime of the company.	<i>Irredtemable.</i>
Marriage with many wives.	<i>Polygamy.</i>

Exclusive possession of trade in some commodity.	<i>Monopoly.</i>
Practice of having one wife.	<i>Monogamy.</i>
A person gradually recovering health after serious illness.	<i>Convalescent.</i>
A carriage which accompanies an army and serves as a movable hospital.	<i>Ambulance.</i>
A resolution passed with the support of all present.	<i>Unanimous.</i>
To tell or declare beforehand.	<i>To predict.</i>
Words having the same meaning.	<i>Synonyms.</i>
Words having opposite meaning	<i>Antonyms.</i>
Something heard through rumour.	<i>Hearsay.</i>
Word for word.	<i>Verbatim.</i>
A companion in a crime.	<i>Accomplice.</i>
A place where milk and its other preparations are kept.	<i>Dairy.</i>
A practice of giving important posts to one's relatives and friends irrespective of qualifications.	<i>Nepotism.</i>

(b) *By changing the grammatical construction.*

Clauses can be substituted by words and thus the size reduced. A Noun Clause may be substituted by a Noun, Adjective Clause by an Adjective and an Adverbial Clause by other words. In case of an Adverbial Clause it is not always easy to change it into a single word. Even then it can be substituted by as few words as possible.



(c) *By process of synthesis.*

A number of loose and separate sentences can be combined into a bigger Complex or Compound sentence. The smaller sentences thus joined shall look like Subordinate or Co-ordinate Clauses. Such linking together is of great help in precis-writing.

**2. Elimination :** Elimination is the process of removing or setting aside of things or words. Here it means *omitting or excluding words and the sentences from the passage which are of minor importance and whose removal will not affect the sense of the passage.* Following are some of the things which should be avoided or eliminated.

(a) *Elimination of redundancies.*

*Redundancy means the use of unnecessary and unwanted words in composition and this is considered to be a defect.* Even renowned authors are a prey to this defect. But in a precis such a thing can find no place, brevity and exactness being its life and soul. Following are some of the chief forms of redundancies which should be strictly avoided.

- (i) Tautology.
- (ii) Pleonasm.
- (iii) Verbosity.
- (iv) Circumlocution.
- (v) Repetition.

(i) *Tautology :* Tautology means repetition of the same idea in different words in a sen-

tence. For example :

*Slowly, step by step* we forced our way into the temple.

Here the words 'slowly' and 'step by step' are synonymous and convey the same idea.

- (ii) *Pleonasm*. It is a defect which means the use of such words, which, though not actually synonymous of those already used, add nothing new to the meaning of the sentence. For example :

The *reason* why he did not come to college was *as* he was ill.

Here 'reason' gives out the real meaning of the sentence but the use of the word 'as' has also been made, though unnecessary.

- (iii) *Verbosity* : Verbosity means the use of many words where only a few can serve the job, fairly and equally well. Here is an example :

He is fond of going to cinema everyday.

This can be freed from verbosity thus :

He goes to cinema daily.

- (iv) *Circumlocution* : Circumlocution is a round-about way of saying things. Various passages contain such ways of expression. They are resorted to simply to give grace to the language, but they ought to be avoided.

Here are some examples of circumlocution.

Circumlocutory Expression	Simple Expression
Ship of the desert	Camel.
Sweet Swan of Avon	Shakespeare.

Saint of Sabarmati	Mahatma Gandhi.
Lion of Punjab	Lajpat Rai.
Roof of the World	Pamir Plateau.
Fair sex	Women.

(v) *Repetition*: In many passages we find that one idea has been repeated over and over again. *This repetition of ideas over and over again is called repetition.* This is sometimes done with the idea of emphasising a point and sometimes with the idea of making others follow the author's point of view. Here are two examples :

1. He is *foolish*, he is *senseless*, he is *unwise*, he is *brainless* and what not.
2. He is *extremely poor*, *penniless*, *resourceless* and in short *a pauper*.

Other than Substitution and Elimination the following two things if omitted bring about the required brevity :

### 1. *Illustrations.*

Some authors, in order to bring home their point of view and to add beauty and effectiveness to their expression, give many 'illustrations' and 'examples'. In precis-writing these things, if not actually inevitable, should be avoided.

### 2. *Omission of subordinate clauses and sentences.*

We have already said that Subordinate Noun, Adjective and Adverb clauses should be reduced to corresponding Noun, Adjective, Adverb or some

such words ; but, very often, they can be omitted altogether.

In the end it shall not be out of place to remind once again that the art of precis-writing is acquired by constant practice. Rules only guide and make the practice easier.

### SUMMARY

#### **Precis :**

Precis is a *gist or summary of a given piece in the fewest possible words*, without sacrificing the sense and the central idea of the passage.

#### **Its uses :**

(a) It saves time.

(b) It is an aid to memory :

(i) Helps a man of law to grasp the salient points of the case of his client.

(ii) Serves a journalist to discriminate between important and unimportant news.

(iii) Helps a student to remember important things.

(c) Helps to develop a clear and a forceful expression.

(d) Distinguishes between essential and less important in short time.

#### **Essentials of a Good Precis :**

1. It should contain all the essential points of the original passage.

2. It should be brief.

3. It should be perfectly clear.
4. *All the sentences should be properly connected.*
5. Its size should be proportionate.
6. It should have a pointed heading.
7. It should be in Indirect Form of Narration.
8. Language should be writer's own and free from various kinds of mistakes.

**How to make a precis :**

1. Read the passage slowly, carefully and repeatedly.
2. Try to concentrate on the meaning of the whole passage also.
3. Central idea of each paragraph should be underlined.
4. Ideas to be noted on a separate paper and arranged.
5. After arrangement ideas should be developed and a rough draft prepared.
6. Rough draft should be read repeatedly and unimportant things done away with.
7. Draft should be balanced one.
8. In precis, arrangement of thoughts in the original passage should be maintained.
9. Write your own language. Sentences should be chained together in Indirect Form of Narration and in third person.
10. Connectives should be properly used.
11. In the precis of official correspondence, *opening and concluding portions* are to be left out.

12. Draft precis should be compared with the original passage to see that all points have been covered and no mistakes left over.

13. Precis should be nearly one third of the original passage.

14. Give an expressive title also.

#### **Art of Brevity :**

Brevity is very necessary for precis and this can be achieved by the following ways:

(a) By using one word in place of many.

(b) By changing the grammatical construction.

(c) By Synthesis.

(d) By removing Tautology, Pleonasm, Verbo-  
sity, Circumlocution and Repetition. Illustrations  
should be avoided as far as possible and subordinate  
clauses converted into words.

# MODEL PRECIS

## Passages

### I

The most common observation that is made about our countrymen is that millions of people live in a condition of struggling poverty. Our standard of living is very low and the *per capita* income is one of the lowest in the whole world. But even a most rapid survey of our natural resources is enough to show that India is rich with potentialities of an all round development. Our soils and climate are varied, capable of producing all types of crops. Our mineral resources too are fairly varied and sufficiently rich. We have a vast human population and a huge livestock. Thus we have the paradox of poverty in the midst of plenty. On examining the causes of this poverty one thing that strikes us is the criminal waste and under-development of our resources. There is wastage of human resources on account of ill health, ignorance and unemployment. The average expectation of

Poverty.

Per capita income

Natural sources, poverty. re- yet

Waste of Resources and loss of mature experience

life is short and thus much of the mature experience is lost to the country. Although we have plenty of water resources, only two per cent of the potential water power has been developed at the moment. Of the potential arable area, only about 30 per cent is being utilised for productive purpose and 70 per cent is lying waste. Similarly, only 25 per cent of our forest resources are being utilised. Wastage of capital arises from unproductive investment and imperfect utilisation of existing capital resources. Thus whether it is land, labour or capital, we are utilising a small part of our productive power. Is it, then, any wonder that we are poor ?

Only small percentages of water, land and forest resources are utilised and so we are poor

#### Points

1. Struggling poverty.
2. Low standard of living and lowest 'per capita' income.
3. Paradox of plenty and poverty.
4. Criminal waste of resources both material as well as human and loss of mature experience due to ill health and short span of life.
5. Only two per cent of water potentiality, thirty per cent of the productive land and 25 per



cent of forest resources are utilised ; hence this poverty.

Heading : *Poverty and Plenty.*

Precis-made

## POVERTY AND PLENTY

Our country is living under struggling poverty and the *per capita* income is the lowest in the world. Despite the great potentialities of an all round development we have the paradox of poverty in the midst of plenty. The criminal waste and under-development of our resources and the loss of mature experience by immature deaths are the main causes of our poverty. Only two per cent of the potential water power, 30 per cent of the productive land and 25 per cent of the forest resources are being used. In face of this imperfect utilisation of the existing resources it is no wonder that we are poor.

### 2

Cooperative banks can render good service to the agriculturists, even if they are run on banking lines.

It is a fallacy that because co-operative banks have to serve the needs of agriculturists they cannot be run on strictly banking lines. On the contrary, it is only in so far as the co-operative banks are good business concerns, that they will be able to give real help to the agriculturists. On account of their more specialised acquaintance with agricultural conditions, the provincial and central banks

Being acquainted with the agricultural conditions they can derive greater advantage from pro-

are in a position to render useful service, but to fulfil this role they should recognise their activities on the lines of commercial banks. It is not practicable in view of the past commitments of these banks that they should immediately recast themselves on exactly the same lines as joint stock banks. The process will have to vary from province to province according to the position of each bank, but the final object should be definitely set out and if this principle is recognized the Reserve Bank will be glad to render such technical assistance as it can towards such reconstruction having regard to the individual circumstances of the various institutions. It would contribute greatly to the health of the co-operative movement if closer contact could be established with first class commercial banks throughout and that those in charge of the movement in various provinces should get into touch with these commercial banks and take their advice in re-organizing their business. Closer contact can also be established by co-operative banks making more use of commercial banks of standing for

vincial and  
central banks.

If reorganised  
on commercial  
lines these  
banks can se-  
cure assistance  
from the Re-  
serve Bank.

Closer contact  
with commercial  
banks will  
help the growth  
of co-operative  
movement

Mutual contact  
and transaction  
between com-  
mercial and  
co-operative  
banks shall be  
good for both

investment of their surplus funds as well as for obtaining credit from them on Government paper or otherwise. Commercial banks might also, on their part, utilise cooperative banks for the collection of bills in small places where they have no offices of their own. Such mutual dealings will promote mutual understanding and bring the cooperative banks more into touch with commercial.

(310 words)

#### Points

1. Cooperative Banks can render useful service to the agriculturists even if they are run on strictly banking lines.
2. Being acquainted with the agricultural problems they can derive greater benefits from central and provincial banks.
3. If reorganised on commercial lines but reconstructed according to individual needs, they can secure technical assistance from the Reserve Bank.
4. Closer contact with first class commercial banks will help the growth of cooperative movement.
5. Cooperative banks should invest their surplus in commercial banks and the commercial banks should also cooperate with them and utilize

their services for collection of bills etc. Such mutual co-operation will help the growth of both.

Heading : *Co-operative Banks*

**Precis-made**  
**CO OPERATIVE BANKS**

Cooperative banks can render real help to the agriculturists on banking lines as well. Being well acquainted with the agricultural conditions these cooperative banks can derive useful services from the provincial and central banks provided they are reorganized on the lines of commercial banks. If this reconstruction is effected with due regard to the circumstances of individual institutions the Reserve Bank will gladly render them technical assistance. Closer contact with commercial banks will promote the health of the cooperative movement. To encourage mutual understanding and closer touch, surplus funds may be invested with and credit may be obtained from commercial banks which on their part may utilize cooperative banks for the collection of bills in small places.

(118 words)

**3**

Decision of far-reaching importance to the Indian textile industry were taken at the recent meeting of the Textile Control Board in Bombay. It is gathered from the talks that the export market in textiles is to be regulated. The countries in the Middle

Regulating the  
export market  
in textiles

India, being the only source of supply to Middle East and Africa, prices have gone up and the quality deteriorated

Fixation of prices and seal of quality and export prices to be intimated to the Governments of the overseas market.

Profits to be utilized for domestic problems like Brazil Government.

East and parts of Africa are in dire need of cloth and India is their only source of supply at present. This has led to very high prices and poor quality of cloth exported. The Textile Control Board feel that if a *laissez faire* policy is adopted towards the cloth export trade, it will earn for India a very bad reputation and will make it difficult for her to retain the export markets especially in the post-war period. The authorities propose firstly to fix prices for cloth exports and secondly to check the quality of the cloth exported. The Government will set up adequate machinery to inspect all cloth intended for export and affix a stamp certifying its quality. Prices somewhat higher than in the internal market will be fixed for exported cloth. The Government will intimate to the Governments of the overseas market the reasonable price of such cloth provided those Governments undertake to control internal trade in the consumer's interest.

The authorities in India who propose to fix prices of Indian cloth exports at a slight higher level than domestic prices will do well to bear in mind

the significance of the Brazilian Government's policy of utilizing profits from exports towards subsidizing domestic prices. This means that as against the pre-war tendency of home trade prices to subsidize exports, today with a strong overseas demand, exports can subsidize home trade prices. While no one will cavil at the authorities exercising a reasonable check over the quality of the goods exported, the question of fixing prices is a very delicate one and must be decided after giving due consideration to the fact that India herself is paying very high prices for imported goods which she has to buy. Side by side with the qualitative check on cloth exports, a quantitative check is also needed, as a country like India with 400 million souls to clothe can ill afford to supply the full needs of other countries at the sacrifice of her own needs.

Fixation of export price should be guided by the policy to subsidize the import prices

Quantitative check on the export of the cloth is also needed to meet the requirements of the huge population of India

### Points

1. Textile Board decided to regulate the export of textiles.
2. India, being the sole exporting country to Africa and Middle East, the prices of Indian textiles

have gone up and the quality gone down. This may earn a bad reputation for India and its Textile Industry.

3. Fixation of the export prices, slightly higher than the internal price and to check the quantity of cloth exported is needed.

4. Government to intimate the Governments of the overseas market the price fixed.

5. Profit earned by fixing higher export price to be utilized to subsidize the internal prices.

6. Quantitative check on the export, in order to meet the needs of the huge Indian population, should also be exercised.

Heading : *Control of Textile Exports.*

**Precis-made**

### **CONTROL OF TEXTILE EXPORTS**

The Textile Control Board in Bombay decided to regulate the export market in textiles. India being the only source of supply in cloth to the Middle East and Africa, prices of cloth have shot up and the quality produced is poor. The authorities propose to control both the prices and quality to maintain the Indian reputation in foreign markets. The fixed prices will be intimated to the overseas governments to control their internal trade.

The profits earned by raising prices of the cloth exported should be utilized in helping the domestic prices after the Brazilian Government's pattern. Apart from the quality the fixing of prices must be

guided by the fact that India has to pay high prices for her imports. With a view to her vast population quantitative check on cloth exports is equally advisable. *(137 words)*

## 4

Reserve Bank  
has stopped  
sale of silver  
to the bullion  
market

Stoppage may  
continue for  
long as the  
bank does not  
encourage spe-  
culation.

The most important development in the bullion market during the week under review is the cessation of sales of silver by the Reserve Bank of India from Wednesday onwards. On Tuesday the bank sold as on the previous days 100 bars on tender which fetched Rs 132-12 0 per 100 tolas. At the same time it intimated to the market that, until further notice, it would not be offering any silver from Wednesday. Well-informed quarters in the market take this action of the Bank to mean that the cessation or stoppage of sales is not a temporary phase but one which would last for a prolonged period if not permanently. Perhaps there is some justification for holding this view, because we believe the bank is not so irresponsible as to encourage speculation by stopping sales for a few days and resuming them thereafter. It is difficult to explain why the bank



has ceased sales. The easiest explanation is that the Bank might have run out of stocks or that the stocks might have reached the level which the authorities have decided beforehand alone to maintain for any future emergency. There is, of course, no reason why these explanations should not be regarded as correct. It may be noted, in this connection, that as against the 100,000 bars obtained from the U.S.A. on Lease Lend basis last year, the Bank has so far sold about 47,000 bars. It is, of course, impossible even to guess how much of silver has been used for coinage purposes. But, even on a conservative estimate, it is unlikely that the balance will exceed 50% of the metal obtained under Lend Lease. It has been suggested that the Government of India might be negotiating with the U.S.A. Government for further shipments of silver under Lend Lease. But enquiries made in quarters close to American circles reveal that the chances of another instalment of Lend Lease silver to India are practically nil. Further, we wonder whether the Government itself would make

Shortage  
stock. of

any such attempt if the report be correct that the 100,000 bars, which it obtained from the U.S.A. last year, are to be returned within five years from the date of delivery, that is about the middle of 1949, at the latest.

(377 words)

### Points

1. Reserve Bank has intimated cessation of the sales of silver to the bullion market.
2. Stoppage may continue for long if not permanently, because the bank does not encourage speculation.
3. Shortage of stock is taken to be the reason for stopping this sale.

Heading : *Bullion Market Blocked*

### Precis-made

#### BULLION MARKET BLOCKED

The Reserve Bank of India intimated the cessation of sales of silver to the bullion market from Wednesday onwards. This stoppage is taken to last for a prolonged period. The responsible position of the Reserve Bank which can never encourage speculation makes this guess possible. The insufficient stocks can be the possible reason for this cessation of sales. The bank has sold only 47,000 bars against 100,000 bars obtained from U.S.A. on Lease Lend basis last year. The amount of silver used for coinage being unknown, the balance with

the bank can hardly be guessed to exceed 50% of what it obtained last year. The chances for further shipment from U.S.A. being nil and the Lend Lease silver already obtained being returnable within five years, fresh instalments from U.S.A. can neither be possible nor negotiated upon.

(137 words)

## 5

Last week a reference was made to the recommendations of the Krishnamachari Committee on stabilization of agricultural prices and since then more details have become available, although the Committee of the Government of India did not let the press have an advance copy of these recommendations, the preliminary object of which is stated to be 'to restore the profit margin in agriculture by a policy of State assistance, so that it may induce agricultural investment, raise the purchasing power of the agricultural population and provide a large domestic market. The obvious implication is that, by ensuring reasonable prices, agriculture will be made an assuredly profitable proposition, so as to make more people invest their funds in agriculture. This

*Stabilization of the agricultural prices to restore the profit margin in agriculture and raise the purchasing power of agriculturists.*

*Encouraging investment in agriculture.*

will raise purchasing power and production and imply a larger domestic market which, it is needless to say, will be most welcome at a time such as the present, when industries are both expanding and embarking on new lines. A point that requires to be noted is that, although agriculture forms the main occupation of a great majority of this country's population and, hence, any improvement in their purchasing power is bound to be appreciable, this improvement in the agriculturists' purchasing power is, in its turn, dependent upon the employment position of the non-agricultural classes inasmuch as the level of employment of these will not only determine the total agricultural output but also the prices of such output. This only proves, as many have before now pointed out, that price stabilization cannot be viewed, much less attempted as an isolated measure. We are therefore glad to find that besides its recommendations on stabilization of agricultural prices, the Committee has also made a number of other recommendations aimed at effecting certain drastic reforms in the land revenue system.

Improvement of agriculturists' purchasing power will depend upon the employment position of non-agriculturists.

Price stabilization should not be affected as an isolated measure. Drastic reforms in land revenue system and other things should also be thought over.

It is gratifying to learn that the Committee has not suggested crop restriction as one of the means of ensuring a fair or high price, although it envisages regulation of acreage in respect of cash crops. It is understood the Committee has recommended an expansion of both food and non-food crops.

(348 words)

#### Points

1. Stabilization of agricultural prices in order to improve the purchasing power of the agriculturists.
2. Encouraging investment in agriculture.
3. Improvement of the purchasing power of the agriculturists will depend upon the employment position of non-agriculturists.
4. Stabilization of agricultural prices is no isolated measure.
5. Drastic reforms in revenue system and no restriction on crops but regulation of acreage have also been suggested.

Heading : *Stabilization of Agricultural Prices.*

#### Precis made

#### STABILIZATION OF AGRICULTURAL PRICES

The Krishnamachari Committee recommended the stabilization of the agricultural prices 'to restore the profit margin in agriculture' to induce agricultural investment, to raise the purchasing power of

the cultivators and to provide a large domestic market. The reasonable prices would make more people invest funds in agriculture. The appreciable factor of developed purchasing power depending upon the employment position of the non-agricultural classes would determine both the total agricultural output and the prices thereof. Hence price stabilization is no isolated measure. The committee has also suggested some drastic reforms in the revenue system with no restrictions on crops but it has suggested the regulation of acreage in cash crops and the expansion of both food and non-food crops.

(116 words)

## 6

The outstanding feature of the Report of the Central Board of Directors of the Reserve Bank of India for the year ended 30th June, 1947, is the timely warning to the Government of India and Pakistan that unless correctives are applied without delay, there is a danger of the very foundations of society and the economic life of the country being undermined by deepening penury and despair. The Report strikingly points out that but for the hope that a speedy resolution of the constitutional problem might leave Government strong and ready to deal with urgent problems urgently, the economic situation in this country remains bleak and more full of problems challenging solutions than was the case ever,

even during the anxious years of the war. The Report suggests that the correctives are to be in two directions. The first is towards the all-pervading corruption. Unless its corrosive influence is countered rapidly, controls, according to the Directors, will deteriorate progressively into handicapping the poor and law-abiding members of the community and all talk of planned development will have to be abandoned. Secondly, the severity of the last budget must be lessened if the country is to tide over the production crisis. Although the Directors have not put forward this point in so many words, they doubtless mean it, especially where they say that there seems little doubt now that the severity of the last budget is defeating its own purpose and is hindering the formation of capital for productive purposes. Our only comment on these suggestions of the Directors is that we fully concur with them. But we must add that the Directors have correctly diagnosed the exact nature of the country's malady and have prescribed the best remedies for it. It is for the governments of both the Dominions now to accept that prescription and effectively administer it.

(317 words)

#### **Precis made**

#### **ECONOMIC CORRECTIVES**

The Central Board of Directors of the Reserve Bank of India in their annual Report for 1947 have suggested strikingly to the Governments of India and Pakistan of the speedy application of correctives

to the fast deteriorating economic situation of the country. This corrective is to be applied first to the Universal corruption which renders all controls and talks of developments useless to the great disadvantage of the poor. Secondly, the corrective is to be directed towards lessening the severity of the last budget hindering the formation of Capital for production. It is only advisable for both the governments to avail of this pointed suggestion to make themselves strong for economic contingencies.

*(112 words)*

7

There was a time when it was imagined that the Indian Provincial Budget was merely a gamble in rains. If there were good and timely rains and the crops were good, receipts from land revenue and other allied taxes were bound to be satisfactory and Government did not have to worry about Budget deficits. That this theory is only partially true was realised for the first time during the great slump of the thirties. During those years, the price factor played the most important part and depressed the financial outlook of all the Provincial Governments in India. The receipts of the United Provinces Government also fell considerably and forced them to effect economy in expenditure. Between the years 1921-37, the revenue ranged between Rs. 10 and Rs. 13 crores and in eleven of these years, there were budget deficits. Nation building departments



were starved and the Government contented themselves with a hand-to-mouth existence.

The position underwent a slight change with the formation of popular Government in the Province in 1937. The tempo of Government activity began to gather some volume, but it was interrupted when the Ministry resigned in 1939. The World War that broke out in that year thoroughly dislocated Indian economy and brought on inflation. Most of the resources of the Province, as indeed of the whole of India, were diverted for War purposes and the economic position deteriorated more and more. The volume of money in the country, however, increased to an unprecedented extent and the money income of the Provincial Government soon outstripped expenditure. During the war years, revenue surpluses became the order of the day. These surpluses were mostly in the nature of windfalls and were only partly the result of conscious and deliberate action on the part of Government. Runaway prices keeping far ahead of the salary and dearness allowance bill of Government and the reduction of expenditure on development departments accounted for these surpluses to some extent. But the main contributory factor on the receipt side was the inflationary increase in the receipts from Income-tax, Provincial Excise and some other sources of revenue. The disease of inflation still continues and the Provincial Budget

is nearly three times the pre-war size. (371 words)  
(U.P. Board 1949)

### Precis made

### PROVINCIAL BUDGET

That the Indian Provincial Budget was a gamble in rains is lately understood to be only partially true during the last thirties when the price factor depressed the financial outlook of the Provincial Governments in India. The narrow receipts resulted in Budget deficits and economised expenditure to the utter disadvantage of the nation-building departments.

But for the resignation of the popular Ministry in 1939 this deficit position would have been improved. The World War II further deteriorated the economic position of the Provinces. The priority to war-purposes, the inflated currency and the thoughtful manoeuvres of the Provincial Governments resulted in Budget surpluses at the cost of development departments. The inflation still disallows the normality of the Provincial Budgets to come. (120 words)

### 8

In judging of the circumstances in our own country we have to consider all manner of factors and we have to plan accordingly and go ahead step by step, so as not to break up something we have without replacing it immediately with something

better. It is fairly easy to break things up. It is not so easy to construct. It is quite possible that, in an attempt to change the economic system, you may have a period of semi-disaster, you may even stop production which we aim at. Ultimately, perhaps very gradually, you may build up a new kind of apparatus. But for the moment you will break up the existing apparatus. That is undesirable when all our energies have to be concentrated on production. The Honourable Member referred to a certain report which was issued by a sub-committee of the All-India Congress Committee, of which I had the honour to be Chairman. I would recommend him and other members to read that report carefully, because that report was a carefully drafted document. It was not by any means a final report. It was a report to be considered firstly by the Working Committee of the Congress and secondly by the All-India Congress Committee. The report itself states that it is only a rough blueprint and that these matters will have to be considered by the Planning Commission which it recommended. Certain other factors were laid down in it in regard to the nationalization of defence industries and key industries. Now it is perfectly true that, in so far as the National Congress is concerned, it accepted this principle about 17 years ago—the nationalization, ownership or control of defence and key industries and public utilities—and I do believe that such industries will have to be nationalized at

some time or other. Then again the Congress in its various resolutions has also indicated that this process of nationalization should go a little further in other directions. But when you come down to giving effect to this, you have to think of which to choose first and how to do it without upsetting the present structure and without actually interfering production.

(367 words)

(U.P. Board, 1950)

#### **Precis-made**

#### **NATIONALIZATION OF PRODUCTION**

To construct an existing structure being difficult no haphazard undoing of a thing is desirable unless a definitely better one is substituted. An economic change may disturb and even stop production but the report made by the sub-committee of the All-India Congress Committee referred to by the Honourable member is not yet final and needs reconsideration by the Working Committee of the Congress, the All-India Congress Committee and the recommended Planning Commission. The report also refers to the inevitable and seventeen years old Congress principle of Nationalization of Defence and key industries. As to the expansion of nationalization one will have think the what and how of a thing to be taken up without interference to production.

(120 words)

the labourer or by invigorating him, but also by the effect it produces on the regularity of his habits. Thus we find that no people living in a very northern latitude have ever possessed that steady industry for which the inhabitants of temperate regions are remarkable. In the more northern countries the severity of the weather and, at some seasons, the deficiency of light render it impossible for the people to continue their usual out-of-doors employment. The result is that the working classes, being compelled to cease from the ordinary pursuits, are rendered more prone to desultory habits. The chain of their industry is, as it were, broken and they lose that impetus which long continued practice always gives. Hence there arises a national character more fitful and capricious than that possessed by a people whose climate permits the regular exercise of their ordinary industry. Indeed, so powerful is the influence of this principle that we perceive its operations even under the most opposite circumstances. It would be difficult to conceive a greater difference in government, laws, religion, and manners than that which distinguish Sweden and Norway on one hand, from Spain and Portugal on the other. But these four countries have one great point in common. In all of them, continued agricultural industry is impracticable. In the two southern countries labour is interrupted by the dryness of the weather and by the consequent state of

the soil. In the two northern countries the same effect is produced by the severity of the winter and the shortness of the days. The consequence is that these four nations, though so different in other respects, are all remarkable for a certain instability and fickleness of character. *(293 words)*

*(U.P. Board, 1951)*

#### **Precis made**

#### **CLIMATE AND NATIONAL CHARACTER**

Climate, being a potent agency to influence the energies and regular habits of the labourers, the temperate zones encourage steadier industry than the northern latitudes which make continued employment impossible due to their severe weather and deficient light. This forced unemployment develops irregular habits and failing to bring the force natural to continued work, gives a whimsical character to a nation. For example, having vast differences in their laws and manners, Sweden and Norway with their severe winter, Spain and Portugal with their dry weather have broken the continued agricultural industry and are remarkable for their fickle character. *(98 words)*

#### **10**

The Egyptians, Greeks and Romans divided the month in different ways. Today there is only one system in the whole civilized world. The Arabic system of numerals displaced the clumsy Roman

method and became universal. The revival of learning and the discovery of printing immensely facilitated the spread of knowledge. Today the same scientific terms are used all over the world : scientific discoveries are made known and become available to all countries, and scientific symbols and tables, compiled by many workers in different countries, are common property. The sciences of astronomy and navigation have enabled the ships of all peoples to traverse the globe. Systems of weights and measures, which at one time were of great variety, have been reduced to two throughout nearly the whole civilized world. The Health Section of the League of Nations has established an international system of nomenclature of diseases and of vital statistics with benefit to public health everywhere. All this knowledge is used internationally without thought of its origin. Germany is not humiliated by using the meridian of Greenwich or the French metre, and the people of America do not resent using the British pound weight and yard. Sufferers from tuberculosis all over the world are helped by the work of German physicians and millions of Mahatma Gandhi's countrymen accept and benefit from the researches of French and English doctors of medicine on malaria. Scientific discovery has done far more to promote international unity than ever religion did. The peacetime services of the post office, telegraph, telephone and

transport have to a large extent been internationalised either by Government action or private enterprise. The great literature and art of all countries are within the reach of all. We read translations of Chinese and Japanese masterpieces and the medieval cathedrals of Europe appeal to those of all faiths and countries. Culturally and economically the peoples of the world are today closer than they have ever been before in the past.

(328 words)

(U.P. Board, 1952)

#### Precis-made

### SCIENCE AND INTERNATIONAL UNITY

Scientific discoveries introduced universal simplicity in the divisions of month and numerals of various nations. Astronomy encouraged world-wide navigation. The different weighing and measuring systems have been reduced to two throughout the world. The nomenclature of diseases has benefited the world. Germany freely uses the Greenwich time and French metre and America the British pound weight and yard. Germany has helped the world against tuberculosis. England and France have helped India against malaria. The means of communication and transport have been internationalised. The art and literature of all countries are made accessible to all. Thus science rather than religion has brought the nations closer than ever.

(106 words)



## Passages for Practice

## 1

After knowledge, there is no one passion which has done so much good to mankind as the love of money. It is to the love of money that we owe all trade and commerce ; in other words, the possession of every comfort and luxury which our own country is unable to supply. Trade and commerce have made us familiar with the productions of many lands, have awakened curiosity, and have widened our ideas by bringing us in contact with nations of various manners, speech and thought. They have supplied an outlet for energies which would otherwise have been wasted, have accustomed men to habits of enterprise, forethought and calculation, have communicated to us many arts of great utility, and have put us in possession of some of the most valuable remedies with which we are acquainted, either to save life or to lessen pain. These things we owe to the love of money. If theologians could succeed in their desire to destroy that love, all these things would cease, and we should relapse into barbarism.

( U.P. Board, 1953 )

## 2

The arrangement and size of the factory buildings will be determined by the kind of manufacturing and the volume of the business. This arrangement should permit the product to move progressively

towards the finished stores room without any reversal of direction and with the least expenditure of power and time.

Therefore, the factory must be divided into departments and with the increasing volume of business there is the further division of each department into sections. In charge of the factory organization is the superintendent. He must possess a technical knowledge and knowledge of men. His business is production and its delivery on contract time. Below the superintendent are the foremen in charge of the different departments. Their work is confined to the selection, supervision, and discipline of the labour force under them and of submitting reports to the superintendent. A watch over workmen is necessary, so gatekeepers are engaged to record the in-going and out-going of workmen.

In short, a factory is organized on the line of least resistance. Thus it enables the enterpriser to get the maximum at minimum cost.

*(U.P. Board, 1940)*

### 3

When you have got a large balance in the current account, you transfer that part of the money which you do not need for the present to the fixed deposit account. It is called fixed, because of the period which must elapse before you can turn it into liquid cash. You can keep your money fixed for any period

you like—the longer the period, the higher the rate of interest.

If you require this money before the period is over, you can have your fixed deposit receipt discounted. But the option of discounting the receipt is that of the bank and not yours.

In industrially advanced countries people prefer investing their surplus money in industrial concerns and not keeping it fixed with the Bank though the Bank has to reinvest this sum in order to earn more than what it pays to the depositor.

*(U.P. Board, 1941)*

#### 4

Whatever its merits, the new agreement between India and Burma will have an unfavourable reception in certain quarters in both countries; in Burma because of the concessions made and in India, because of its restrictions on emigration from this country. But India has presumably achieved more than Burma was prepared originally to offer. Changes in the old order of free movement between the two countries were inevitable, and the Indian delegation under Sir Girja Shanker Bajpai went to Burma to secure the maximum protection for the greatest possible number of Indians affected.

Behind the sharp deterioration in relations between the two communities which led to the serious Indo-Burman riots of three years ago, were

problems regarding the status and re-employment of Indians ; and in his report on the riots, Mr. Justice Braund pleaded for re-examination of the whole Indian question. We are aware, Mr. Justice Braund wrote, that within a measurable period it will be within the power of Burma to direct a policy of her own of immigration from India and elsewhere ; but we cannot conceive that any such policy can, with safety or with justice, be framed until the whole field of the economic relations between India and Burma, and of Indians and Burmans within Burma, and of the vital needs of each, has been more adequately studied.

The outcome was the appointment two years ago of Mr. James Baxter to examine the question of Indian immigration into Burma. His proposals were considered by both Governments and it was agreed, without commitment on either side, that they formed a suitable basis for negotiation. The agreement now reached is based on two main principles : firstly, that Burma has subject to the provisions of the Government of Burma Act of 1935 the right to determine the composition of her own population and, secondly, that Indians who have wholly identified themselves with the interests of Burma should enjoy the same rights as members of the permanent population.

*(U.P. Board, 1942)*

Public opinion is invariably watchful towards, and often suspicious of, the middleman. This tendency has its cause partly in the recognition of the fact that intermediaries carry none of the risks incidental to production. Crop failures or cattle plagues that may ruin the cultivator inflict no mortal hurt on the business of the middlemen. Indeed, periods of agricultural depression are not uncommonly those in which distributors prosper most. In the main, distributors are tolerably secure in the enjoyment of their profit margins, merchants being, as a rule, in a position by adjusting prices, to pass on to the consumer any rise in costs, while commission agents are concerned mainly with obtaining their commission over the largest possible turnover. It is clear, however, that public opinion is not fully informed on the costs and the risks incidental to the business of distribution in modern conditions. We deprecate easy generalities suggesting that every ill from which the cultivators suffer is traceable to the existence of rapacious and unnecessary middlemen. Such statements disturb confidence, while distracting attention from faults in the system of marketing which are capable of being remedied or removed.

That abuses exist is, however, beyond dispute. For instance, when the primary collector, who acts also as a money-lender, succeeds in getting a culti-

vator into his grip, he is apt to use his advantage ruthlessly. Again, it is certain that there are various services of marketing and distribution performed each by a separate intermediary which, under an ideal system, might well be rendered by a single intermediary. Bad communications and chaotic conditions of marketing encourage a superfluity of middlemen. The pressure of life, too, particularly in the more highly populated tracts of the country, tends to operate in the same direction, since it drives men to seek a living, however insufficient and insecure, wherever opportunity offers.

(U.P. Board, 1943)

## 6

Now let us consider the results of partition. Partition has completely undermined the economic policy and I want you to realize the implication. I think it worthwhile to find out that we are in the position of an entirely new country. But at one time, you will remember, when this Swadeshi movement was started, if you read through the speeches that were then made, you will find that their complaint in those days was that while India was an exporter of raw materials, she was also a main importer of finished goods. The cry then was why should India export raw materials and import finished goods. Why not manufacture goods in the country from the raw materials we export. It was

so, mainly because of political manipulation. India was not allowed to do so, but today the position is completely reversed. India today is no longer an exporter of raw materials. Today India is mainly an importer of raw materials, because the significance of the export-import position is completely changed.

In the new situation which has arisen, India is no longer an exporter of raw materials. India is principally today an importer of raw materials—particularly of food and cotton. That being the case, we have to export manufactured goods. There is no way out of that. Food and clothing eat into our foreign exchange position and we have to think in terms of building up our exports of manufactured goods, at least in the interest of our very existence. It is not that we want to be rich by exporting manufactured goods. It is not that we want to increase our standard of living, but our very existence, the existence of India, depends on the import of important items, like food and cotton and therefore we have to find out what we have to export.

## 7

In olden days there were numerous universities of vast reputation wherein students sought admission after their Pathshalas and Gurukul education. To mention accurately how many such universities there were in the country is difficult, since scores of them were so completely ruined owing to foreign aggression made from time to time that no signs of

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their prevalence are to be found. Some of them whereunto the invaders could not reach are still extant, although in ruins.

One biggest and most noted of them was the University of Nalanda, seven miles northward of Rajgirha, a town of Bihar. That this University was more magnificent and bigger than many of our modern ones is a truth, as we can conveniently surmise this greatness by the fact that about 10,000 students studied there and received education by about 1,500 teachers. The whole building consisted of eight sufficiently big halls wherein the classes were held.

In order to study the complex theories of various religions and to understand the secret of creation students from distant countries influxed this University. To be a scholar of this University was regarded as a result of good luck. For admission the candidates were given a difficult test and accordingly only worthy and meritorious students could achieve success. Notwithstanding all this ambitious and enthusiastic students came to our country in big multitude with an expectation of becoming scholars of the University.

### 8

For the last eight years, we have been struggling with prices. Government has so often declared its determination to bring down prices and with this object has stiffened all manners of control on

prices, production and distribution. Prices, however, instead of coming down, are continuously rising, though the effective money supply from 1947 has been more or less stationary. The Economic Advisor's General Index of Wholesale Prices was 297·4 in 1947, 367·1 in 1948, 381·1 in 1949 and 400 in 1950 adjusted to a base period of the week ended 19th August, 1939. It is obvious that the culprit responsible for maintaining prices is by no means monetary inflation but must be sought for somewhere else.

It might be argued that, without this regimentation and deflationary action, the situation would have been still worse. But it is idle to waste time on any such speculation. No conclusions can be drawn from any hypothetical cases. But one thing is quite clear: that prices would have been definitely stabilised and even fallen had one-tenth of the energy that we devoted to controls been spent on the problem of production.

## 9

The lower and higher prices themselves do not matter much if the salaries and wages and other fixed incomes and obligations are adjusted on the basis of prices. Such adjustment, however, is not an easy task. Salaries may be adjusted—in commercial houses they are usually adjusted from time to time—though a serious problem for Government since it must upset their whole budgetary position.

But what about the *fixed incomes* like interest, contractual obligations, etc. ? Adjustment to prices in such fields is not possible. And yet the prob'em of middle classes, who are the worst sufferers at present due to high cost of living, has to be solved in a practical manner. To afford them much needed relief, which is long overdue, either prices must come down or their salaries must go up. There is no other alternative. And the question that now arises and for which we must find an answer is : what if prices do not come down by the methods that have been pursued during the last eight years—in fact, the existing *methods* have utterly failed. Is there any other method by which prices can be brought down or at least checked ? My answer is : yes, there is. Increased production is the one and only one method which will solve our question. If we do not adopt this remedy with vigour, then rising prices and increased wages, ceaselessly pursuing each other by turns, will continuously complicate social issues leading to chaos and confusion.

## 10

The country has been passing through a peculiar and distressing phase of economic life. While conditions of inflation are gathering momentum and asserting themselves, money has become scarce and the market tight. Accordingly, the cost of borrowing for the community is slowly and surely

rising. The conception of welfare State that is catching our imagination has added on burdens by way of increased indirect taxation in multiple ways, has made living growingly costly. With falling income levels and rising cost of living, voluntary savings become an aim and ideal rather than a practical reality. The community is living dangerously on the past savings. Undoubtedly with the rise in the prices of agricultural produce, there has been shift in the incomes. The rural parts are having a better share in the bargain. But the wealth that has been shifted to our villages is such that it is so widely distributed and held, that to pool it together itself is a task of immense organisation.

Traditional habit of hoarding money has been to a large extent responsible for freezing this additional purchasing power and keeping down the inflationary forces to some extent, though it has been denied so far for nation-building activities. There is also the lurking danger of this latent purchasing power asserting itself, as it has been evidently doing, in hoarding of essential commodities by the growers themselves and helping price rises.

## II

The coming of the Railway and the steamship, the opening of the Suez Canal, and the extension of peace and security by the growth of the British power have brought about very great changes. In

earlier times every village grew most of its food, provided from its own resources or obtained from close at hand, and met its few simple wants. Its cloth, and often the raw material for it, its sugar, its dyes, its oil for food or lighting, its household vessels, and agricultural implements, were manufactured or produced either by the cultivator himself, or by the village craftsmen, who were the members of the village community and were remunerated by a share of its produce. Money for the payment of the Government dues and for the purchase of metals or of luxuries was found by the sale of surplus food grains or of agriculture and forest products required by neighbouring villages. These exchanges were affected and financed by the country traders, who were found mostly at the large villages or small towns that formed the centres of a series of economic circles the radius of each of which was measured by the distances to which the few local imports and exports could be profitably carried.

The above is a fair description of the country as a whole; but there were not wanting other and large centres of trade, situated on the few recognized routes of land transport, on navigable rivers or on the seacoast, where a market existed for the articles to which their rarity or costliness lent sufficient value to offset the expense of carriage from

a distance. These were few, for communications were difficult and insecure. Precious metals, artistic manufactures, and a few rare drugs and dyes made up the bulk of this traffic, which was mainly directed to the ports, from which trade with foreign countries was carried on, or to military and administrative centres.

## 12

At a time when the west of Europe, the birth-place of the modern industrial system, was inhabited by uncivilized tribes, India was famous for the wealth of her rulers and for the high artistic skill of her craftsmen. And, even at much later period, when merchant adventurers from the west made their first appearance in India, the industrial development of this country was at any rate not inferior to that of the more advanced European nations. In both, industries had for long been protected and controlled by somewhat similar systems, the Guilds of Europe fulfilling in this respect much the same functions as the Indian Castes. But the widely different social and political conditions of the West have helped the middle class to establish itself on a foundation of Commercial prosperity, and the struggles for political and religious liberty in which it had taken its share had endowed it with a spirit of enquiry and enterprise, that was gradually and increasingly directed to the attainment of industrial efficiency.

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and more inadequate. Science is daily putting at our disposal fresh powers and fresh sources of wealth, and the amount of technical knowledge which now lies at the back of every occupation makes it difficult for the beginner to acquire by experience alone the knowledge which is necessary to success. First one occupation, then another, has come to the conclusion that the traditional way of picking up one's business is no longer sufficient. Medicine, engineering, building, as well as various branches of manufacture, now enlist the cooperation of schools and colleges in the training of their recruits.

This method of training has had valuable results. In general it improves the quality of the work; in addition it is found that, as a rule, people who are specially trained are the one who contribute new inventions, discoveries, and development to the occupation. These people, too, generally fit in more effectively and cooperate more intelligently in the large organisations which are becoming so prominent a feature in modern industry and commerce. One reason for this is that a proper system of training shows not only the best method of doing the work, but also the purpose and scope of the occupation. As a result the young people understand the significance of their task, and the part their own efforts play in the success of the business. All this creates interest in the work, lessens the drudgery, and adds very much to the individual's own contentment.

It was to this middle class that the so-called "Industrial Revolution" of eighteenth century was mostly due. This revolution was only the culmination of a long series of attempts to utilize in the most profitable way the natural resources available. But even at this time progress was by the slow methods of "Trial and Error," and the knowledge of scientific laws was in an elementary stage throughout this period when the most striking industrial advances were being made.

It seems unquestionable that up to the present time the number of the people and the standard of living have been rising together and before it can be assumed India, or any part of it, is so congested that any further increase in population is impossible, it must be remembered that the same assumption was by the traveller Fitch at the end of sixteenth and by Seaman at the beginning of the nineteenth century.

### 13

Until recent times the usual way of learning a business was to start as an apprentice or junior and pick it up by practical experience at work. This method was reasonably satisfactory when occupations were of a simple character, but with the constant increase in the knowledge which is now required in most callings, and the "speeding up" which is characteristic of modern business, it is proving more

teachers are now given opportunities to receive instruction in the technique of film projection, production and presentation at the annual Summer Film School organised by the British Films Institute and the Educational Handwork Association. Teachers from all parts of the country, using films in schools, have flocked in this Summer School which has revealed many interesting experiments showing informations about the scope and use of instructional films.

The use of films in schools cannot be exaggerated and every educationist will admit that "illustration" and "exposition" films are the most important and best kind of films to be used in schools—the first in the primary schools and the second in the middle and secondary schools.

### 15

Today, India is seriously considering her educational problems from all possible points of view and it will not be irrelevant if the question of the development of school film industry be placed before the educationists and others who take interest in educational matters. Controversies there must be and one of the main controversial point will be that our country is too poor for the purpose of introducing films in schools. It is true, but there are schools in India which are financially sound, although the number is not very promising. The sub-standard projectors are reasonable in price and

Special training has proved so successful in callings as diverse as medicine, engineering and hair dressing, that there is little doubt that it would prove equally valuable for the distributive trades.

## 14

With the increasing problem of leisure, the problem of film industry has been at present very keen in England and with the advent of growing industry in films the educationists are thinking very seriously of the provision of suitable film shows for school children. The idea of introducing films in schools for educational purpose is not very new but it has been very difficult to find place in schools for that purpose. For the last quarter of a century England is trying her best to introduce in schools and until recently as many as 500 schools equipped themselves with projection arrangements. Considering the rapid and all-round development of education in England during the last 25 years, the above number of schools with cinema equipment is not very encouraging. There are more than five million children in English schools and taking very liberally the average number of children in each school to be 400, only 200,000 children are getting advantage of education through cinema in schools.

The educationists as well as the film industry people are now considering how to develop this new medium of education. A few companies are organising libraries of first class teaching films and the

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and the small size of his farm keep a villager who owns land idle for about 150 days in the year. The plight of a landless villager is very much worse; he has no independent occupation of his own, and his economic position is so weak that he cannot avoid sinking into a state of serfdom.

The two main problems which must be tackled before any substantial improvement in rural welfare can be expected are the relief of the pressure of population on the resources by measures calculated to improve per man hour productivity in general, and the transfer of a substantial proportion of the large mass of population from farming to non-farming pursuits. There must therefore be a deliberate policy for the occupational redistribution of the population now seeking its livelihood in one form or another from the overburdened land.

One of the most important avenues of employment for the surplus population is small-scale and cottage industries. The trend of well-informed Indian opinion has always been in their favour, and it has also been suggested that for persons engaged in them the cooperative method of business is most suited. The Indian Industrial Commission (1916-18) stressed the intimate connection between cooperation and cottage industries, and stated that industrial cooperative societies should be organised and assisted by the State in technical matters. The Royal Commission on Agriculture repeated the

reliable if obtained from respectable firms. Also the film industry in India, although very recent, is a growing concern and they can be approached to help and contribute towards this new educational enterprise.

The purpose of education is not to teach alphabets alone but also to impart new ideas and experiences which the children can best imbibe through pictures and cinemas. Also the country is now trying to find out a short and easy way for adult education.

There is no other medium than the educational film which can impart education in its wide meaning to a very large body of people. Organisation of adult education is a quite different thing and I do not like to dwell on that problem here. What is intended to point out is that in the interest of proper education, the educationist and the film industry people should chalk out a path in this direction. One or two films with the help of some teachers may be made and for the purpose of demonstration some schools may be selected.

## 16

The industrial population of Indian villages is decreasing owing to the keen competition between small crafts and rural industries on the one hand and large-scale industries on the other, and therefore an increasing number is seeking livelihood from land. The pressure on land is consequently increasing. The seasonal character of agricultural industry



Although the income of agriculturists is at present so low that there is no margin for any provision for the future, such a margin will, it is hoped, be created when the various development plans are implemented, and there will then be a scope for insurance.

Something can, however, be done even now. There are in every village some agriculturists who are not in debt. These agriculturists who are on the margin of safety should be persuaded to take out insurance policies particularly marriage endowments and whole life limited payments. In times of prosperity some agriculturists have a surplus income which they spend on subjects which are wasteful, or invest in gold or silver ornaments.

In the years of adversity, on the other hand, debts are incurred on the pledge of ornaments which are generally lost as they become irredeemable on debts becoming too heavy. If an agency is created which will persuade the rural population to invest the windfall of good years in insuring against the adversity of bad years, it will perform a most useful service and remedy to some extent the evil of chronic and what seems to be inescapable indebtedness. The policy of insurance thus taken out will not only safeguard the future, but will also enable the policy-holder to borrow in case of need at a fairly low rate of interest from the insurance society or better still from the village society on its security.

suggestion for organising village artisans on a co-operative basis for credit, raw materials and marketing. It is difficult to define the considerations on which the choice between large and small-scale industries and cottage industries should be determined. The factors involved in the choice are numerous and often conflicting. But generally speaking, it may be stated that while in basic industries there is little scope for small industrial units, they have an important and useful place in consumption goods industries where their function is in many cases complementary to that of large units.

## 17

Insurance has been recognised all over the world as a scientific method of safeguarding and providing against the various hazards of life. Its growth has been encouraged in most countries by tax exemption and several other ways. It has, however, not made much headway in India principally for the reason that the bulk of the people live on the bare margin of subsistence and do not have any surplus to pay insurance premiums.

In several countries of Europe, the development of cooperative life insurance has been of considerable help in catering for the needs of agriculturists, artisans and workmen. In India life insurance on co-operative lines has made some progress during recent years in Bombay, Madras, Hyderabad and Baroda.

bodies registered under the Indian Companies Act of 1913, with the liability of members limited by shares or by guarantee. The Bombay Native Share and Stock Brokers Association is an unincorporated, voluntary and non-profit body governed by a Deed of Association of 37 articles and by the rules approved and sanctioned by the Government of Bombay. Other exchanges in India are governed by their Articles of Association.

Each stock exchange consists of a number of members. On admission each member is charged an entrance fee which is a substantial amount these days. Membership cards fetch very high prices. All Indian stock exchanges other than Bombay are companies having share capital divided into a number of shares, the holding of at least one of which is a condition of membership. An applicant for membership must be recommended by two members of the stock exchange and a candidate when elected is required to purchase one share and pay an entrance fee. The membership of the various stock exchanges is open to adults only, but the minimum age prescribed for a member by the Bombay Stock Exchange is 21.

## 19

The commodities bought and sold on a stock exchange consist of government securities, debentures and bonds of public bodies such as municipal corporations, port trusts, etc., and shares and deben-

The primary village societies and other co-operative organisations working in rural areas can render very great help in explaining the benefits of insurance and of necessity of buying insurance policies instead of ornaments.

## 18

Although there are a number of stock exchanges in India now, yet the Bombay Stock Exchange, being oldest, occupies a position of supreme importance. It is truly a national institution where securities are dealt in by the people all over the country. The Calcutta and Madras Stock Exchanges are also rendering indispensable service to the investing public, as they specialise in certain securities which do not find a market in Bombay. The location of industries in different parts of India has tended to segregate the several important groups of industrial securities in particular stock exchanges. For example, Bombay has become the chief market for textile shares; Calcutta concentrates more on jute, tea, coal and mining; Madras mainly confines itself to plantation industries; Ahmedabad has dealings mainly in local textile shares; Kanpur deals principally in sugar shares; whereas steel shares are dealt in on all exchanges, but the bulk of the business is done at Bombay.

All the Indian stock exchanges are constituted more or less on the same lines; and all of them except the Bombay Stock Exchange are corporate

the securities, when they have been admitted to dealings on a stock exchange, would meet, to the satisfaction of stock exchange authorities, certain prescribed standard of legality, security and workmanship.

When a security is admitted to dealings, the soundness of the issuing company is in no way guaranteed, nor is the security recommended for any favourable consideration. The investor himself has to exercise his own discretion in selecting a particular scrip. The stock exchange cannot be expected to act as a judge and advise the investors regarding the soundness or otherwise of a particular company. This would be imposing a responsibility on the stock exchange committee which it would be incapable of carrying out. The company law of a country and the listing requirements of a stock exchange call for certain information which is to be published and will act as a basis for the discretion of investors. The work of the stock exchange committee is to see that the provisions of the company law have been complied with and the investors are given a reasonable opportunity of judging the merits of the concern.

## 20

It is very seldom that the country gentleman caught glimpses of the great world; and what he saw of it tended rather to confuse than to enlighten his understanding. His opinions respecting religion, government, foreign countries and former times,

tures of limited companies. No dealings in the shares and debentures of a company can, however, take place on a stock exchange unless the necessary permission of the stock exchange committee has been obtained beforehand by the promoters of the concern. The shares and debentures of all companies existing in India are not dealt in on the stock exchanges, because many of them have not obtained the necessary permission from the stock exchange authorities. The brokers to a new company have an important function to perform in applying on behalf of the company for permission to deal in its shares on the stock exchange. The prospectus of a company usually contains a statement that application will be made to such and such stock exchanges for permission to deal in its shares and debentures; and those responsible for the issue of the prospectus must see that it complies with stock exchange requirements. Before a stock exchange allows its members to deal in any new shares or debentures of a company, its committee must give permission to deal. To obtain this permission the sponsors for the security must supply, through a member of the stock exchange, the required information.

Listing constitutes an integral part of the machinery of an organised stock exchange. Dealings in corporate securities, by their very nature, are susceptible to fraud and undesirable practices; hence the necessity for listing arises. Listing implies that

We may intrude ten minutes talk on a cabinet minister, answered probably with words worse than silence, being deceptive; or snatch, once or twice in our lives, the privilege of throwing a bouquet in the path of a Princess, or arresting the kind glance of a Queen.

And yet these momentary chances we covet; and spend our years, and passions, and powers in pursuit of little more than these; while meantime, there is a society continually open to us, of people who will talk to us as long as we like; whatever our rank or occupation—talk to us in the best words, they can choose, and with thanks if we listen to them. And this society, because it is so numerous and so gentle, and can be kept waiting round us all day long, not to grant audience, but to gain it—kings and statesmen lingering patiently in those plainly furnished and narrow ante-rooms, our book-case shelves—we make no account of that company, perhaps never listen to a word they would say all day long!

## 22

“Science”, said the Royal Commission of 1861, “quickens and cultivates directly the faculty of observation, which in very many persons lies almost dormant through life, the power of accurate and rapid generalization, and the mental habit of method and arrangement, it accustoms young persons to trace the sequence of cause and effect; it familiarizes them with a kind of reasoning which interests them,

having been derived, not from study, from observation, or from conversation with enlightened companions, but from such traditions as were current in his own small circle, were the opinions of a child. He adhered to them, however, with the obstinacy which is generally found in ignorant men accustomed to be fed with flattery. His animosities were numerous and bitter. He hated Frenchmen and Italians, Scotchmen and Irishmen, Papists and Presbyterians, Independents and Baptists, Quakers and Jews. Towards London and Londoners he felt an aversion which more than once produced important political effects. His wife and daughter were in tastes and acquirements below a housekeeper or a stillroom maid of the present day. They stitched and apun, brewed goose-berry wine, cured marigolds, and made the crust for the vension paaty.

## 21

But granting that we had both the will and the sense to choose our friends well, how few of us have the power! Nearly all our associations are determined by chance, or necessity; and restricted within a narrow circle. We cannot know whom we would; and those whom we know, we cannot have at our side when most need them. All the higher circles of human intelligence are, to those beneath, only momentarily and partially open. We may, by good fortune, obtain a glimpse of a great poet, and hear the sound of his voice; or put a question to a man of science, and be answered good-humouredly.



Interneecine war, foreign and civil, brought about the greatest set-back which the life of reason has ever suffered; it exterminated the Greek and Italian aristocracies. Instead of being descended from heroes, modern nations are descended from slaves and it is not their bodies only that show it. After a long peace, if the conditions of life are propitious we observe a people's energies bursting their barriers, they become aggressive on the strength they have stored up in their remote and unchecked development. It is the unmutilated race, fresh from the struggle with nature (in which the best survive, while in war it is often the best that perish), that descends victoriously into the arena of nations and conquers disciplined armies at the first blow, becomes the military aristocracy of the next epoch and is itself ultimately sapped and decimated by luxury and battle, and merged at last into the ignoble conglomerate beneath. Then, perhaps, in some other virgin country a genuine humanity is again found, capable of victory because unbled by war. To call war the soil of courage and virtue is like calling debauchery the soil of love.

## 24

Liberty is not a personal affair only, but a social contract. It is an accommodation of interest. In matters which do not touch anybody else's liberty of course, I may be as free as I like. If I choose to go down the Strand in a dressing-gown with long hair and bare feet, who shall say me nay? You

and which they can promptly comprehend; and it is perhaps the best corrective for that indolence which is the vice of half-awakened minds and which shrinks from any exertion that is not, like an effort of memory, merely mechanical."

Again, when we contemplate the grandeur of science, if we transport ourselves in imagination back into primeval times, or away into the immensity of space, our little troubles and sorrows seem to shrink into insignificance.

"Ah, beautiful creations!" says Helps, speaking of the stars, "it is not in guiding us over the seas of our little planet, but out of the dark waters of our own perturbed minds, that we make to ourselves the most of your significance." They teach, he tells us elsewhere, "something significant to all of us; and each man has a whole hemisphere of them, if he will but look up, to counsel and befriend him."

## 23

Since barbarism has its pleasures it naturally has its apologists. There are panegyrists of war who say that without a periodical bleeding a race decays and loses its manhood. Experience is directly opposed to this shameless assertion. It is war that wastes a nation's wealth, chokes its industries, kills its flower, narrows its sympathies, condemns it to be governed by adventures, and leaves the puny, deformed and unmanly to breed the next generation.

On the other hand, there is much to be said for putting a good resolution into effect now and then. There is a brief introductory period in most human conduct, before the novelty has worn off, when doing things is almost, if not quite, as pleasant as thinking about them. Thus, if you make a resolve to get up at seven o'clock every day during the year you should do it on at least one morning. If you do, you will feel so surprised with the world, and so content with your own part in it, that you will decide to get up at seven every morning for the rest of your life. But do not be rash. Getting up early, if you do it seldom enough, is an intoxicating experience. But before long the intoxication fades, and only the habit is left. It was not the elder brother with his habits, but the prodigal with his occasional recurrence into virtue, for whom the fatted calf was killed. Even for the prodigal, when once he had settled down to orderly habits the supply of fatted calves from his father's farm was bound before long to come to an end.

The right of note-issue enables the bank to combine functions of currency and credit and thus to regulate the total amount of money in circulation. This is necessary for maintaining the stability of currency both inside and outside the country. As a custodian of the reserve of commercial banks, it can

have liberty to laugh at men, but I have liberty to be indifferent to you. And if I have a fancy for dyeing my hair, or waxing my moustache (which heaven forbid), or wearing tall hat, a frock-coat and sandals, or going to bed late or getting up early, I shall follow my fancy and ask no Man's permission. I shall not inquire of you whether I may eat mustard with my mutton. I may like mustard with my mutton. And you will not ask me whether you may be a Protestant or a Catholic, whether you may marry the dark lady or the fair lady, whether you may prefer Ella Wheller Wilcox to Wordsworth, or champagne to shandygaff.

In all these and a thousand other details you and I please ourselves and ask no one's leave. We have a whole kingdom in which we rule alone, can do what we choose, be wise or ridiculous, harsh or easy, conventional or odd. But directly we step out of that kingdom our personal liberty of action becomes qualified by other people's liberty. I might like to practise on the trombone from midnight till three in the morning. If I went on the top of Helvellyn to do it I could please myself, but if I do it out in the streets the neighbours will remind me that my liberty to blow the trombone must not interfere with their liberty to sleep in quiet. There are a lot of people in the world, and I have to accommodate my liberty to their liberties.

the Central Bank on approved short term securities and can also get approved commercial paper rediscounted at the Bank.

The grant of these facilities is a unique service rendered by Central Banks. The Central Bank's discount rate (or simply, Bank Rate) is also an effective means of stopping the outflow of gold from the country, for, by raising it the drawing of finance bills of exchange is discouraged. Moreover, the sale of securities to the commercial banks can be enforced by means of the cash held by them at the Central Bank and by reducing their cash balances with it the Central Bank can compel them to reduce their discounting business and thus to push up the discount rates. High rates of discount tend to curtail credit and vice versa. Hence, the normal working of a Central Bank brings about an evenness in monetary conditions.

## 27

The business on stock exchange can be done only by its members or their authorised clerks. This is the privilege of membership. Members are bound by the rules and regulations of their respective exchanges. For breach of rules they have to pay penalties in the shape of fine, suspension or expulsion. Expulsion is, of course, a rare occurrence and happens only in case of fraud or criminal offence, or if a member is adjudicated an insolvent or becomes a lunatic.

supervise and coordinate the activities of all banks in the country and ensure their cooperation at all times. The right to buy and sell securities facilitates open market operations, that is, enables it to expand the volume of currency in circulation by purchasing securities and to contract it by selling securities both to the public and to the member banks. At times credit restrictions are necessary to prevent excessive speculation and other unhealthy symptoms to trade or to correct adverse foreign exchanges. If commercial banks have huge cash resources the Central Bank may find it difficult to prevail upon them to restrict credit.

Under such circumstances the Bank can reduce the market supplies of money by selling bills and securities on its own initiative in the open market until the discount rate becomes effective. Thus, with the diminution of the available cash supplies, a policy of credit restriction can be forced on the commercial banks. The Bank can also purchase bills and securities which can increase the cash of the commercial banks and thus a sudden stringency can be relieved at the initiative of the Bank and credit expansion is possible. Open market operations also help the Bank in investing its funds remuneratively under appropriate conditions and safeguards. The control over the discount policy assists in regulating the amount of credit and in liquidating the assets of commercial banks. If a commercial bank is prudently managed and is sound, it can get loans from

Stock Exchange it is called a Governing Body, while at Madras a Council of Management. The strength of the committee depends upon the individual circumstances of each exchange. The election of the committee is made each year out of the members of the general body. The committee is the executive authority of a stock exchange, being vested with the general powers of supervision and management. The day-to-day management of a stock exchange is carried on by a number of sub-committees appointed by the committee of management.

Stock exchanges aim at safeguarding the interests of investors by regulating brokerage business and by maintaining a high standard of commercial morality among the brokers. For this purpose due precautions are taken in the admission of members. All possible care is exercised so that only persons of highest reputation and financial standing may be admitted to membership.

Besides, all defaults on the part of members are carefully examined and duly punished. The constitution of a stock exchange provides rules relating to a variety of subjects such as scales of brokerage, kinds of bids and offers permitted, maturity of contracts and their completion, clearing of securities, settlement and payment of transactions, transfer and registration of shares, etc.

In modern civilised society inconveniences of the primitive method of exchange are wholly

On the Bombay Stock Exchange, besides its members, there are also persons known as "Remisiers", who are half commission men. They act as agents for the member brokers to secure business for them and are remunerated out of the commission received from the business secured by them. They are practically subject to the same restrictions as the members themselves. They are also prohibited from carrying on any other business and are required to deposit a substantial amount as security. In addition a remisier is required to pay an annual fee. Like a member broker he is not allowed to advertise. A remisier cannot make a bargain in his own name or on behalf of his employer unless he is also employed as an authorised clerk. A remisier is therefore a kind of sub-broker.

The members of a stock exchange are permitted to employ a number of authorised clerks or assistants but a prescribed annual fee is payable for each clerk or assistant. Authorised clerks and assistants can transact business on a stock exchange, but they can do so only on behalf of their employers. They cannot make any bargain in their own names. They simply act as agents of the members and transact *business on the floor of the exchange on the basis of instructions given to them by their employers.*

The administration of a stock exchange is vested in a committee of management, which is termed differently at different exchanges. At the Bombay



exclusiveness and isolation of towns and villages and has thus created national and political solidarity. In short, in the whole process of production and distribution, money enters as a connecting medium between the different members of a society and between different communities. Accustomed from our earliest years to the use of money, we are unconscious of the inestimable benefit which it confers upon us; and only when we recur to altogether different states of society can we realise the difficulties which arise in its absence.

It is interesting to note in the connection that the service of money to society is similar in character to that of the roads and other means of communication. This fact was pointed out by Adam Smith when he declared: "The gold and silver money which circulates in any country may very properly be compared to a highway which, while it circulates and carries to market all the grass and corn of the country, produces not a single pile of either."

It should be imagined, however, that barter is totally extinct nowadays. It still goes on in some cases even in the most advanced commercial countries but only when its inconveniences are not experienced. Domestic servants receive part of their wages in board and lodging; the farm labourers may partially receive payment in kind or the use of the piece of land. In a large majority of transactions, money intervenes in one way or

unknown and might almost seem to be imaginary. The modern economic system is founded on the principle of production for a market. Division of labour has caused a wide gulf between the products of the individual labour and his requirements. Money alone makes possible the exchange of goods and services in the degree required by our economic system and has, therefore, forced barter very much into the background. From the entrepreneur down to the smallest peasant farmer all sell their surplus products for money. The workman places his labour at the disposal of the employer for a money wage; the transfer of wealth and purchasing power takes place in money. Thus it is "an indispensable link in the social chain of the market; an indispensable part of the mechanism which regulates an otherwise planless society." Money increases production by facilitating exchange of commodities by promoting specialisation.

It gives necessary mobility to capital and thus helps the concentration of capital in the hands of those who are best able to utilise it in an effective manner. It makes capital flow from places where it is less productive to places where it can be employed profitably. It has been responsible for the growth of social and political freedom by substituting freedom of contract and competition for custom and status. It has also broken up the

service and are assured of the price of securities which can be converted into cash at approximately the prevailing rates.

To companies listing affords a distinct advantage because listed securities occupy a certain degree of prestige in the minds of the public. Their securities are popularised and made public through the agency of the quotation service of a stock exchange and find a place in the daily quotation list of newspapers.

The listing requirements of London and New York stock exchanges are very rigid, but that is not the case with Indian stock exchanges, because our company law itself requires the publication of a good deal of vital information relating to the affairs of companies.

A company, seeking the privilege of admission of its securities to dealings on a stock exchange, must have been registered under the Indian Companies Act, and its prospectus must be published in some newspapers. It should undertake to comply with certain prescribed conditions, e.g., it should agree not to close its transfer books on such days as may be inconvenient to the stock exchange, its articles of association must contain some particular provisions, it must supply certain information to the stock exchange and so on. A stock exchange retains the power to remove any shares from its list, if the company has failed to comply with the prescribed conditions.

the other and, even when it does not pass from hand to hand, it serves as the measure by which the amounts given and received are estimated.

## 29

A stock exchange, before granting permission to deal, requires the observance of a set of rules by the company and calls certain information with a view to protecting the investors. The information supplied by the company is examined impartially and permission is granted or refused. This permission naturally carries a presumption in favour of the company's soundness and indicates that at the time of listing it is legally organised and is solvent as a going concern. The listing does not provide *any guarantee regarding the earning power* of listed securities; but the privilege of listing does create a favourable impression on the minds of investors who are indirectly assured of the soundness and legality of the company.

At the same time, listing provides shares and debentures the benefit of a continuous market where sales can be effected without any waste of time. It thus adds to the collateral value of the security which can be so easily hypothecated for a loan. Business in listed securities is transacted under certain regulated principles, and both the buyers and sellers are thus afforded a certain degree of protection. Investors and dealers can also obtain the benefit of a regular and systematic quotation

of money increases much faster than the number of commodities and inevitably results in inflation. "It has been estimated that during the 1st Great War, and for sometime after it, while there was decrease by 10% in the supply of commodities in European countries, the means of payment were generally increased by at least as many hundreds per cent.

The result of the creation of new money has been that a new buying capacity has been put at the disposal of the government. The total buying capacity of the communities having been increased in this way, without a corresponding increase in the commodities to be bought, a general rise in prices has followed. Consequently, an inflation has taken place in every one of the countries involved in the war. This method of financing war has numerous advantages. For instance, it evokes an appearance of economic prosperity and of increase of wealth and thus increases the capacity of the capitalists to pay for the war effort. It also diverts the fury of the people to "speculators" and "profiteers" and thus saves the government from a great deal of destructive and embarrassing criticism. In peace times, a government always finds itself obliged to resort to inflationary measures when it cannot negotiate loans and dare not levy taxes for fear of losing popular support. Inflation is also sometimes employed for the purpose of helping the debtors at the expense of the creditors or the exporters at the cost of the importers.

Inflation is sometimes due to natural causes like a sudden increase in the output of mines or heavy importation of precious metals as was the case between 1896 and 1911 when prices rose owing to the discovery of gold mines in South Africa. But it is more often brought about artificially in times of grave national emergencies. For example, it is an important means of combating the continued menace of the economic depression in America nowadays. The most appropriate occasion for resorting to inflation is a great war like the one we had in 1914-18. War calls for expenditure vastly greater than can be met by the ordinary revenue of the State. Additional funds may be raised by borrowing which may be difficult and costly especially when the credit of the government is low. Fresh taxes may be imposed but only at the cost of the displeasure of the people.

The simplest and the cheapest method, therefore, of getting more money is to put into circulation inconvertible notes which the government is not bound to redeem and on which it has to pay no interest. The huge mass of these notes increases the volume of money which is mostly employed for unproductive purposes. This means that a great war carries with it not only an increased supply of money but also a decreased production and therefore decreased supply of commodities. The amount

being weighed or numbered with the same exactness as material things. The principles which our students adopt at first may be unsound, may be insufficient, but they must not neglect to form some; and must only nourish the truth that will not allow them to hold to any, the moment that they find them to be erroneous.

*(U. P. Board, 1955)*

## 33

The best part of every man's education is that which he gives to himself. The education received at school or college is but a beginning, and is valuable chiefly because it trains the mind and makes it accustomed to continuous application and study. That which is put into us by others is always far less ours than that which we acquire by our own efforts. Knowledge conquered by labour becomes a possession—a property entirely our own. Our own active effort is the essential thing; and no facilities, no teachers, no amount of lessons learnt by rote, will enable us to do without it.

*(U.P. Board, 1956)*

## 34

Unless mothers are truly well educated, the upbringing of our children, both male and female, must suffer in the most important early stages. This must be so whatever progress be made in the organisation of our schools and colleges. This is enough to induce us to pay much greater and more scientific

The art or craft of independent news-getting is a curious business which many of the men and women who practise it most successfully are often unable to explain. They need an instinct, a "nose", a flair for news, and they may be as unconscious of the way their instinct works as animals are supposed to be. They sense a situation and behave accordingly. Luck, too, may be on their side. In the course of my journalistic work I have been lucky enough, from time to time, to get "big news" of international interest, but not because I was looking for it or had made special plans to get it. It came, as it were, by accident. And the wider a journalists' interests are, the likelier will such "accidents" be.

*(U. P. Board, 1954)*

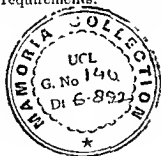
The most important thing in the training of one who is to become a man of business will be for him to form principles; for without these, when thrown on the sea of action, he will be without rudder and compass. They are the best results of study. Whether it is history, or political economy, or ethics, that he is studying, these principles are to be the reward of his labour. A principle resembles a law in the physical world; though it can seldom have the same certainty, as the facts which it has to explain and embrace do not admit of



men qualified to meet the different needs of the community.

What is primarily needed is to alter the character of education in school. In order to effect this, it is necessary that secondary education should renounce the preparation of students for entrance to Universities as its primary objective. It should be a well rounded off education complete in itself. This purpose can be achieved satisfactorily both from the point of the Universities and from the point of view of secondary education, if the Universities introduce their own admission examinations and the school system is not free from the influence of University entrance requirements.

(Raj. Board, 1946)



attention to the education of our girls than we are doing now. Pushing girls into schools and colleges and enabling them to qualify for a degree is not enough. The education we should give to girls is one that should equip them for undertaking the duties of enlightened mothers, the task of the upbringing of children, both boys and girls, in the critical early years of their life.

(U. P. Board, 1957)

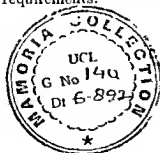
### 35

The educational system of a country has a very intimate relation to unemployment among the educated classes, as on it depends the number of educated men turned out and their productive efficiency. The chief defect from which the present educational system suffers is its rigidity and its standardization. A well organised educational system should be able to turn out youngmen properly equipped for the activities of life. Since social needs are varied, it follows that there should be considerable variety in school training. In India this flexibility is entirely absent. There is, generally speaking, one type of school with a standardized education all over the country turning out one type of educated youngmen. These fill the Universities and refuse to be drawn into other walks of life. The first thing to be aimed at in reforming the educational system is to introduce variety of training at the school stage, so as to produce a supply of young

men qualified to meet the different needs of the community.

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*(Raj. Board, 1946)*



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